

# Comprehensive Annual Financial Report

For the Fiscal Year Ended  
June 30, 2007



Waukee Community School District  
560 S E University Avenue  
Waukee, Iowa 50263



**WAUKEE COMMUNITY SCHOOL DISTRICT**  
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October 12, 2007

We are a District with a dedication to all students and an unwavering commitment to a quality educational program. That commitment, along with a strong sense of community defines the work of the Board of Education for the Waukee Community School District. In a time of ongoing funding restrictions and changing financial models, achieving these goals is a significant challenge.

Our shared vision statement is “to deliver appropriate educational programs for our students, recognizing that all involved – students, teachers, and family – share in the responsibility for learning.” Honoring our vision keeps us focused on moving forward, closing any gap that may exist between our current reality and our vision. The District’s Guiding Principles and Mission Statement guide the allocation of resources to achieve our goals.

Iowa continues to fall short of fully funding the education formula for K-12 schools. In Waukee, we will continue to allocate available resources to fulfill our mission and our commitment to students.

This report is a comprehensive financial record of the District for the fiscal year ended June 30, 2007. It reflects the conditions that have enabled the Waukee Community School District to maintain a favorable and improving financial picture – even during a period of challenging growth. Among the enabling conditions are:

We have a highly dedicated and skilled team of teachers, staff, and administrators.  
We have a highly effective Board of Education and a very supportive community.  
We work in an atmosphere where everyone is encouraged to work at their highest level in a collaborative environment.

As you examine this report, you will see a pattern of on-going financial strength that we hope to continue into the future. We welcome your questions and suggestions. We will continue to learn together to build on our success as a learning community for the future.

Respectfully Submitted,



David J. Wilkerson, Ph.D.  
Superintendent



October 12, 2007

Members of the Board of Education  
Waukee Community School District  
Waukee, Iowa

The Comprehensive Annual Financial Report (CAFR) for the Waukee Community School District for the fiscal year ended June 30, 2007 is submitted herewith. Responsibility for accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the District Office of Administrative Services. We believe the data is accurately presented, in all material respects; that the data is presented to fairly set forth the financial position of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information and the respective changes in financial position and cash flows where applicable; and that all necessary disclosures have been included in order to enable the reader to gain the maximum understanding of the District's financial affairs.

The Comprehensive Financial Annual Report is presented in three sections: introductory, financial and statistical. The introductory section, which is un-audited, includes this transmittal letter and a list of principal District officials, an organizational chart and the Association of School Business Officials International Certificate of Excellence in Financial Reporting. The financial section includes the management's discussion and analysis, audited basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules, as well as the independent auditor's report. The statistical section, which is un-audited, includes selected financial and demographic information, generally presented on a multi-year basis. We encourage readers to refer to all three sections of the report, including the Management's Discussion and Analysis in the financial section, which gives a more detailed summary of the District's financial performance.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and U. S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments*.

The report includes all funds and account groups of the Waukee Community School District. The Waukee Community School District has no component units that meet the Governmental Accounting Standards Board criteria. The District provides a full range of services including instructional, administrative, transportation, food service, maintenance of sites and facilities, custodial, clerical, extra and co-curricular and athletic and activities.

This CAFR has been prepared using the guidelines recommended by the Association of School Business Officials International (ASBO). Certificates of Excellence are awarded to school systems that have presented their CAFR to the ASBO Panel of Review for critical review and evaluation. Receiving the award is recognition that a school system has met the highest standards of excellence in school financial reporting. The standards used in the "Certificate of Excellence Program" are based on generally accepted accounting principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB). We will actively pursue this award through the efforts of the entire Waukee Team. The Waukee Community School District received this certificate for its comprehensive annual financial report for the fiscal years ending June 30, 2004, 2005 and 2006. A copy of the certificate is included in the introductory section of this report.

## BASIS OF ACCOUNTING

The District's accounting records were maintained on a modified accrual basis. These accounting policies are enumerated in the notes to the financial statements. All the District's funds are presented in this report and have been audited by the District's independent certified public accountants, Van Maanen & Associates, P.C.

The chart of accounts used by the District is in conformance with the Uniform Accounting System for Iowa Schools and Area Education Agencies issued November 1975 and updated in 2006, by the Iowa Department of Education. The chart of accounts manual is updated on an annual basis. The District is in full compliance with these requirements.

## ECONOMIC CONDITION AND OUTLOOK

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook is stable. The Waukee Community School District has been and is currently the fastest growing school district in the state of Iowa and the growth projections are expected to continue. Student increases have been recorded in the mid 500's for the past several years. Taxable assessed value continues to grow at an extremely rapid pace. The economy in the state continues to show very solid growth with a 1.5% increase over the last 6 months of the current fiscal year. This growth has had a positive affect on employment with the greater Des Moines area unemployment rate at 3.1%. Retail sales in the greater Des Moines have continued to climb recording a 5.76% increase as of December 2006 and the median household income hit \$59,435 in Dallas County during 2006. District assessed valuations have nearly tripled since 2006 with total taxable assessed value reaching more than \$1.5 Billion.



Based on conservative projections, this trend is expected to continue. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. An article in the September 27, 2007 edition of the Des Moines Register quoted a report from the Bureau of Economic Analysis showing the Des Moines Metropolitan area ranking 24<sup>th</sup> in the United States in terms of gross domestic product. The report also showed the area as the fastest growing municipal economy in the country increasing 7.2% since 2004. Retail, commercial and residential property values continue to grow at record pace. Assessed values of the District are conservatively projected to increase by 15% or more in the near term. In the fall of 2004, a new 250-acre retail shopping mall opened within the boundaries of the District and is expected to generate eighty million dollars in revenue annually. Areas surrounding the Jordan Creek Town Center continue to grow and add new retail and commercial property. The schools of Dallas County passed a one-cent sales tax on all covered retail sales in the county. All the schools in Dallas County on a per pupil basis will share the revenue from this sales tax. The Waukee Community School District is the largest district in Dallas County with nearly one-half of the county's students. That percentage of total students in the county will continue to increase on an annual basis with the District receiving a larger percentage of the total sales tax annually.

## MAJOR INITIATIVES

**Current year.** During the year, the District implemented a six-year plan for facilities and continued to utilize a three-year plan for finances. The District's rapid growth, limited resources and the need to clearly outline and prioritize site and facility needs in chronological order necessitate the plans. Specifically, the District completed a \$14.0 Million K-5 elementary school, a 65,000, \$8.5 million square foot addition at Waukee High School, began construction on an \$11.0 million addition to our current Middle School to be completed in the fall of 2008 and a \$750,000 renovation to our softball and baseball facilities.

**Future Considerations.** The six-year facility plan and accompanying demographic information concluded that student enrollment and tax base would continue to increase at a rapid pace. This study, along with annual enrollment projections to estimate space needs, have indicated the need for a 200 student addition to our 8-9 building, a K-5 elementary facility and a 6-8 grade middle school facility to open in the fall of 2010. A 750 student K-5 facility is also slated to open in the fall of 2010 that would replace the current Waukee Elementary school, which is the oldest building in the District having first been built in the early 1900's. Additional space at the current high school will probably be needed by the fall of 2012. The District is involved with local developers concerning land purchases for future school sites on an ongoing basis. Revenues from a planned \$70 Million referendum would fund the above projects.

## DEBT ADMINISTRATION

The ratio of net indebtedness to assessed valuation and the amount of indebtedness per capita are useful indicators of the District's debt position. The 2007 fiscal year data shows a total outstanding indebtedness on June 30<sup>th</sup> of \$66,495,000 with a ratio of debt to 100% taxable, actual, assessed valuation of 4.34%. During FY 2007, \$2,100,000 of outstanding debt was paid and an additional \$18,900,000 of new debt issued. In the near future, as assessed valuation and District population rise and total indebtedness decrease, these economic indicators will reflect a very favorable financial position.

The above indebtedness of \$66,495,000 is a result of general obligation bonds issued July 1997, July 1998, June 1999, April 2000, March 2001, April 2002, November 2002, May 2003, June 2004, February 2005 and March 2005. Capital loan notes were issued in February of 2006 and Sales Tax Revenue Bonds were issued in April of 2007.

## RISK MANAGEMENT

Waukee Community School District is exposed to various risks of loss related to torts, theft, damage to and destruction of assets, error and omissions, injuries to employees and natural disasters. The District assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## FINANCIAL INFORMATION

Management of the District is responsible for establishing and maintaining an internal control designed to ensure that its capital assets are protected from loss, theft or misuse and to ensure that accounting data are compiled to allow for the preparation of the basic financial statements in accordance with accounting principles generally accepted in the United State of America. The internal control is designed to provide reasonable, but not absolute, assurances that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal, state and county financial assistance, the District also is responsible for ensuring that an adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and external auditors.

As a part of the District's single audit, described earlier, tests are made to determine the adequacy of the internal control over financial reporting and its compliance with applicable laws and regulations, including those related to major federal awards programs. The results of the District's single audit for the fiscal year ended June 30, 2007, provided no instances of material weaknesses in the internal control or violations of applicable laws and regulations.

Budgetary Controls. In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Activities of the General Fund, special revenue funds, Debt Service Fund, enterprise fund and capital projects funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects funds and budgeted accordingly on an annual basis. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program level for all funds combined rather than at the individual fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at the fiscal year's end. However, encumbrances generally are re-appropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

### BASIS OF PRESENTATION

The charts and accounts used by the District have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants. In addition, the District's accounting records conform to the Uniform Accounting System for Iowa Schools, Chapter 11 of the Code of Iowa and Area Educational Agencies issued by the Department of Education, state of Iowa. The chart of accounts manual is updated annually and the District is in full compliance with these requirements.

### CASH MANAGEMENT

Cash, while temporarily idle during the year, was invested in time deposits and money market accounts. Interest rates ranged from 4.69% to 5.134% during the year, compared to the highest rate of 4.88% for the previous year. This aspect of the District's finances has gained importance in recent years as we have sought to maximize the yield on our investments without forfeiting the use of fund balances.

### OTHER INFORMATION

Independent Audit. The accounting firm of Van Maanen & Associates, P.C. was selected to perform the annual audit in accordance with Chapter 11 of the Code of Iowa. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Circular A-133. The auditor's report on the basic financial statements, combining and individual fund statements and other schedules is included in the financial section of this report.

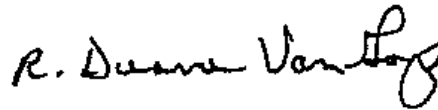
## ACKNOWLEDGEMENT

The preparation of this report on a timely basis could not have been accomplished without the effort of the accounting staff and our auditors, Van Maanen & Associates, P.C. We would like to express our appreciation to all staff members who assisted and contributed to this report. Also, appreciation is expressed for the interest and support of the Board of Education in conducting the financial operations of The District in a most responsible and progressive manner.

Respectfully submitted,

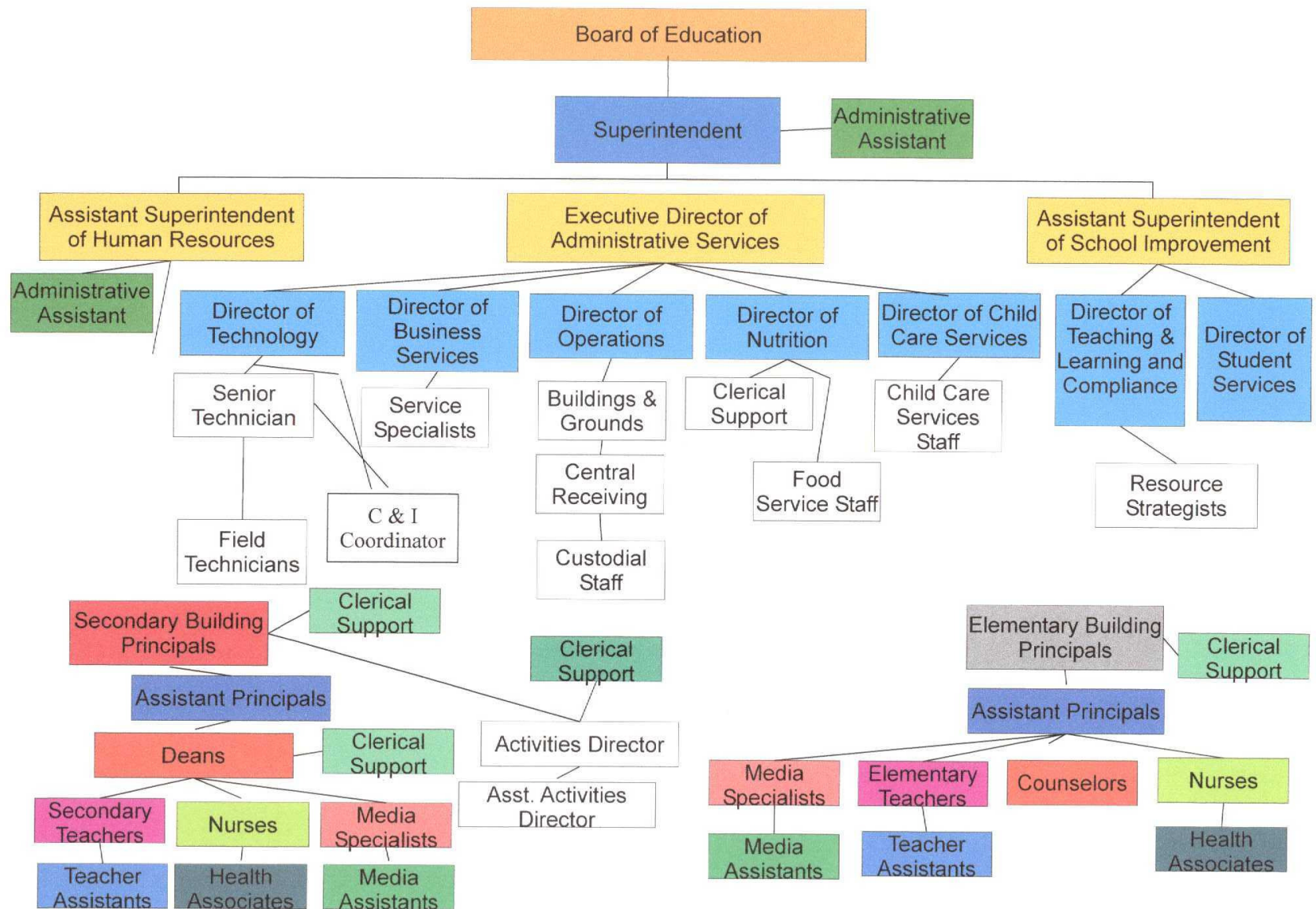


David J. Wilkerson, Ph.D.  
Superintendent



R. Duane Van Gorp, RSBO  
Executive Director of Administrative Services

## WAUKEE COMMUNITY SCHOOL DISTRICT



Waukee Students are our Foundation

## **Waukee Community School District**

### Board of Education and Attorney

#### **Board of Education**

(Before September, 2006 Election)

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Embree Edgington	President	2006
Larry Lyon	Vice President	2007
Tracy Lepeltak	Board Member	2006
Russ Wiesley	Board Member	2006
Wayne Cooper	Board Member	2007
Peggy Pierce	Board Member	2008
Jerry Ripperger	Board Member	2008

#### **Board of Education**

(After September, 2006 Election)

Tracy Lepeltak	President	2009
Larry Lyon	Vice President	2007
Wayne Cooper	Board Member	2007
Peggy Pierce	Board Member	2008
Jerry Ripperger	Board Member	2008
Pat De Mouth	Board Member	2009
Russ Wiesley	Board Member	2009

#### **Board Attorney**

Ahlers & Cooney, P.C.	Attorney	Indefinite
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## **Waukee Community School District**

### **SCHOOL DISTRICT ADMINISTRATION**

Year Ended June 30, 2007

<u>Name</u>	<u>Position</u>
Dr. David J. Wilkerson	Superintendent
R. Duane Van Gorp, RSBO	Executive Director of Administrative Services
Dr. Bradley Buck	Assistant Superintendent for School Improvement
Dr. Bruce Kimpston	Assistant Superintendent for Human Resources
Cindi McDonald	Director of Teaching & Learning
Roxanne Cumings	Director of Student Services
Ray Coffey	Director of Technology
Kathy Niblo	Director of Accounting/Secretary to the Board of Education
Eric Rose	Director of Operations
Leannie Allgood	Director of Nutrition Services
Andrea Wilmes	Director of Child Care Services
Molly Boyle	Literacy Resource Strategist
Sharon Ingebrand	Mathematics Resources Strategist
Dr. Jody Ratigan	High School Principal
Judi Roland	High School Dean of Students
Ronald Book	High School Dean of Students
Theresa Best	High School Dean of Students
Mark Tigges	High School Dean of Students
Cherry Donovan	High School At Risk Coordinator
Juley Murphy-Tiernen	Prairieview Principal
Ed Slauson	Prairieview Dean of Students
Susan Elbert	Prairieview Dean of Students
Larry Rude	Prairieview & Middle School At Risk Coordinator
Mike Blake	Middle School Principal
Mark Skahill	Middle School Dean of Students
Vicki Hasty	Middle School Dean of Students
Jodie Belger	Middle School Dean of Students
Randy Nemitz	Waukee Elementary Principal
Peg Erke	Eason Elementary Principal
Terry Hurlburt	Brookview Elementary Principal
Deb Snider	Walnut Hills Elementary Principal
Nicole Tjaden	Assistant Elementary Principal
Karen Allison	Assistant Elementary Principal
Jim Duea	Director of Athletics & Activities
Todd Schneiter	Assistant Director of Athletics
Wayne Kischer	Auditorium Manager

Waukee Community School District  
Consultants, Advisers, and Official Depositories

**Consultants and Advisors:**

Certified Public Accountants:  
Van Maanen & Associates, P.C.  
705 Main St.  
Pella, IA 50219

Bond Attorney:  
Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

Financial Consultant:  
Piper Jaffrey  
700 Walnut Street, Suite 1300  
Des Moines, Iowa 50309-3800

General Counsel:  
Ahlers & Cooney, P.C.  
100 Court Avenue, Suite 600  
Des Moines, Iowa 50309-2231

Property/Casualty Insurance Agent:  
Insurance Associates  
2501 Westown Parkway, Suite 1104  
West Des Moines, Iowa 50266-1438

Benefits Insurance Broker:  
Mercer Advantage  
1776 West Lakes Parkway - SS2  
West Des Moines, Iowa 50266

**Official Depositories:**

Wells Fargo, Iowa  
110 Highway 6  
Waukee, Iowa 50263

First American Bank  
12333 University Avenue  
P.O. Box 71156  
Clive, Iowa 50325

Iowa School Joint Investment Trust  
P.O. Box 71158  
Clive Iowa 50325-0158

IPAS Education  
1415 28th St., Suite 200  
Century Building  
West Des Moines, Iowa 50266-1456





This Certificate of Excellence in Financial Reporting is presented to

**WAUKEE COMMUNITY SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)**  
For the Fiscal Year Ended June 30, 2006

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



**Van Maanen  
& ASSOCIATES, P.C.**

**Certified Public Accountants**

705 Main St.  
Pella, IA 50219  
641-628-3737

Independent Auditor's Report

To the Board of Education  
Waukee Community School District  
Waukee, Iowa

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Waukee Community School District as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2007 on our consideration of Waukee Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and budgetary comparison information on pages 17 through 22 and 58 through 60 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Waukeet Community School District's basic financial statements. A different accounting firm audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the three years ended June 30, 2006 (which are not presented herein) and expressed unqualified opinions on those financial statements. Other supplementary information included in Schedules 1 through 8, and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The statistical information listed in the table of contents is not necessary for a fair presentation of the basic financial statements, but is presented as additional analytical data. This information is unaudited and we do not express an opinion on it.

*Van Maanen & Associates, P.C.*

Van Maanen & Associates, P.C.  
Certified Public Accountants

October 10, 2007

# WAUKEE COMMUNITY SCHOOL DISTRICT

## Management Discussion and Analysis For Fiscal Year Ended June 30, 2007

It is with great pleasure we present to you the financial picture of Waukee Community School District. We offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Waukee Community School District for the fiscal year ended June 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal. Professional standards require the inclusion of certain comparative information in the Management's Discussion and Analysis (MD&A). However, in the year of implementation, certain omissions are allowed. Subsequent MD&A's will include all required comparative information.

### Financial Highlights

The District showed an increase in net assets of \$8,871,338 during the year ended June 30, 2007.

Total revenues for the fiscal year ended June 30, 2007 of \$44,185,406 were comprised of General Revenues in the amount of \$36,455,979 and program revenues totaling \$7,729,427.

As of June 30, 2007, unreserved, undesignated fund balance for the General Fund was \$4,442,971 or 12.95% of General Fund expenditures. The financial solvency ratio for the year ended June 30, 2007 was 12.13%, which is an increase of 5.05% over the previous year. This increase is attributed to unreserved fund balance keeping pace with revenue increases and a favorable ratio of total revenues to total expenditures.

The Waukee Community School District's total long-term bonded debt increased by \$20,145,000 due to the issuance of sales tax revenue bonds issued in March of 2007.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Waukee Community School District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of Waukee Community School District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all Waukee Community School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements reflect functions of the Waukee Community School District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, non-instructional services, other and interest on long-term debt. Business type activities are those that the District charges a fee to help cover the costs such as School Nutrition.

The government-wide financial statements include only Waukee Community School District. There are no other organizations or agencies whose financial statements should be combined and presented with the financial statements of the District.

**Fund financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Waukeew Community School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary fund and fiduciary funds.

**Governmental funds** – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Waukeew Community School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Debt Service and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 32 through 36 of this report.

**Proprietary fund** – The District maintains only one type of proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District maintains one enterprise fund.

The basic proprietary fund financial statements can be found on pages 37 through 39 of this report.

**Fiduciary funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Waukeew Community School District's own programs. The fiduciary funds of the District are agency funds. Agency funds are custodial in nature and do not involve measurement of results of operation.

The basic fiduciary fund financial statements can be found on pages 40 through 41 of this report.

**Notes to the financial statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Waukeew Community School District's budgetary comparison. Required supplemental information can be found on pages 60 and 62 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's total net assets have increased from a year ago from \$19,277,965 to \$28,149,303.

A significant portion of the District's total assets reflects its investment in capital assets. The District uses these capital assets to provide educational services; consequently, these assets are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$14,788,218. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 Statement of Net Assets							
	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2007	2006	2007	2006	2007	2006	2006-2007
Current and other assets	\$ 60,702,342	45,225,602	1,003,298	696,319	61,705,640	45,921,921	34.4%
Capital assets	86,215,826	67,132,844	512,885	578,088	86,728,711	67,710,932	28.1%
<b>Total assets</b>	<b>146,918,168</b>	<b>112,358,446</b>	<b>1,516,183</b>	<b>1,274,407</b>	<b>148,434,351</b>	<b>113,632,853</b>	<b>30.6%</b>
Long-term debt outstanding	82,194,466	69,981,242	-	-	82,194,466	69,981,242	17.5%
Other liabilities	38,036,122	24,320,809	54,460	52,837	38,090,582	24,373,646	56.3%
<b>Total liabilities</b>	<b>120,230,588</b>	<b>94,302,051</b>	<b>54,460</b>	<b>52,837</b>	<b>120,285,048</b>	<b>94,354,888</b>	<b>27.5%</b>
Net assets:							
Invested in capital assets, net of related debt	14,051,616	10,019,928	736,602	578,088	14,788,218	10,598,016	39.5%
Restricted	7,820,732	6,441,728	-	-	7,820,732	6,441,728	21.4%
Unrestricted	4,815,232	1,594,739	725,121	643,482	5,540,353	2,238,221	147.5%
<b>Total net assets</b>	<b>\$ 26,687,580</b>	<b>18,056,395</b>	<b>1,461,723</b>	<b>1,221,570</b>	<b>28,149,303</b>	<b>19,277,965</b>	<b>46.0%</b>

The restricted portion of the District's net assets (29.3%) represents resources that are subject to external restrictions on how they may be used. These restrictions include \$158,461 for two state grants, \$1,117,415 for Physical Plant and Equipment, \$6,148,174 for Capital Projects and \$396,682 for other special revenue purposes. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to students and creditors.

At the end of the current fiscal year, the Waukeel Community School District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The District's total net assets increased by \$8,871,338, or 46.0%, during the current fiscal year. The total invested in capital assets net of related debt increased 39.5%. The governmental activities net assets increased by \$8,631,185. The business type activities increased by \$240,153. The increase in governmental activities net assets is mainly attributable to less than expected budgeted expenditures during a time that the District is growing dramatically and investing heavily in capital assets.

Table 2 highlights the District's revenues and expenses for the fiscal year ended June 30, 2007 as compared to the fiscal year ended June 30, 2006. These two main components are subtracted to yield the change in net assets. This table utilized the full accrual method of accounting. Revenue is further divided into two major components: Program Revenue and General Revenue. Program Revenue is defined as charges for services and sales, operating and capital grants and contributions. General Revenue includes taxes and unrestricted grants such as state foundation support.

<b>Table 2</b>						
<b>Changes in Net Assets</b>						
	<b>Governmental activities</b>		<b>Business type activities</b>		<b>Total District</b>	
	<b>Year ended June 30,</b>		<b>Year ended June 30,</b>		<b>Year ended June 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,173,717	2,411,792	2,163,844	1,890,332	4,337,561	4,302,124
Operating grants and contributions	3,628,074	2,953,730	421,173	362,089	4,049,247	3,315,819
Capital grants and contributions	-	-	-	111,484	-	111,484
General Revenues:						
Property and other taxes	22,707,713	18,435,237	-	-	22,707,713	18,435,237
Local option sales tax	4,199,658	3,467,268	-	-	4,199,658	3,467,268
Unrestricted state grants	15,518,867	13,589,697	-	-	15,518,867	13,589,697
Unrestricted investment earnings	1,299,865	602,452	40,854	21,735	1,340,719	624,187
Other	376,121	361,325	-	-	376,121	361,325
Total revenues	49,904,015	41,821,501	2,625,871	2,385,640	52,529,886	44,207,141
<b>Expenses:</b>						
Program expenses:						
Instruction	23,541,001	19,961,274	7,101	2,230	23,548,102	19,963,504
Support services	10,863,315	9,628,971	285,066	257,974	11,148,381	9,886,945
Non-instructional programs	-	-	2,093,551	1,911,572	2,093,551	1,911,572
Other	3,666,113	3,093,756	-	-	3,666,113	3,093,756
Debt service	3,202,401	2,696,641	-	-	3,202,401	2,696,641
Total expenses	41,272,830	35,380,642	2,385,718	2,171,776	43,658,548	37,552,418
Changes in net assets	\$ 8,631,185	6,440,859	240,153	213,864	8,871,338	6,654,723

Expenses are shown in programs including instruction, support services, non-instructional programs, other and interest on long-term debt.

The number of students served by the District increased by approximately 508 students which was a 11.1% increase over the prior year. This accounts for the across the board increase in revenues and expenses in both governmental activities and business-type activities. Investment earnings increased 122.5% due to increasing interest rates and increased availability of investment capital for greater periods of time. Local option sales tax increased 21.1% due to an overall increase in Dallas County taxable sales. Also a contributing factor is that our District continually has a larger percentage of Dallas County students.



Table 3 below discloses cost of services for governmental and business-type activities. The total cost of services column contains all costs related to the programs and the net cost column shows how much of the total amount is not covered by program revenues. Succinctly put, net costs are costs that must be covered by state aid and local taxes. The difference in these two columns would represent restricted grants and services.

<b>Table 3</b>		
<b>Governmental Activities</b>		
<b>Programs</b>	<b>Total Cost of Services</b>	<b>Net Cost of Services</b>
Instruction	\$ 23,541,001	19,417,898
Support Services	10,863,315	10,619,144
Other	3,666,113	2,231,596
Debt Service	3,202,401	3,202,401
	<u>\$ 41,272,830</u>	<u>35,471,039</u>

Net cost of services is 85.7% of total cost of services in 2007.

### **Financial Analysis of the Government's Funds**

As noted earlier, the Waukee Community School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of the Waukee Community School District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Waukee Community School District's governmental funds reported combined ending balances of \$27,312,858, an increase of \$6,024,493 in comparison with the prior year. Approximately 16.3% of this total amount, or \$4,442,971, constitutes unreserved fund balance and is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for 1) inventories \$37,183; 2) state grants \$158,461; 3) General Fund \$86,983; 4) Debt Service \$1,563,669; 5) Capital Projects \$19,378,964 and for 5) non-major, special revenue funds \$1,644,624.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$4,442,971 while total fund balance reached \$4,725,601. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures. Unreserved fund balance represents 12.95% of total General Fund expenditures.

The fund balance of the District's General Fund decreased \$2,312,194 during the current fiscal year. The key factor in this was a concentrated effort to continue a trend of upward financial stability as evidenced by an increasing fund balance and financial solvency ratio.

The District's other major funds include the Physical Plant and Equipment Levy Fund, Debt Service Fund, the Capital Projects Fund and the School Nutrition Fund. The Physical Plant and Equipment Levy Fund increased \$110,791, Debt Service fund balance increased \$1,329,820 due to accumulation of local taxes needed to make future interest payments as they come due. The Capital Projects fund balance increased by \$2,271,688. The School Nutrition net assets increased by \$138,335 due to increased participation in the lunch program and the Child Care Services programs net assets grew by \$101,908.

## Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison-Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except agency funds as described in the note to required supplementary information.

A comparison of the actual expenditures/expenses of the District's budgeted funds with the final budget amounts is as follows:

	Budget		Actual	Variance
	Original	Final		
Instruction	\$ 21,107,000	22,107,000	23,332,233	(1,225,233)
Support Services	13,368,041	14,368,041	11,115,897	3,252,144
Noninstructional programs	2,400,000	2,900,000	2,093,816	806,184
Other	28,586,114	30,986,114	29,061,976	1,924,138
	<u>\$ 65,461,155</u>	<u>70,361,155</u>	<u>65,603,922</u>	<u>4,757,233</u>

The positive variance of \$4,757,233 was a result of a concentrated and successful effort to maximize revenues and control expenses.

## Capital Assets and Debt Administration

The following table shows ending balances of capital assets invested in various categories. The District recognized a total net increase of \$31,101,418. The increase can be attributed to extensive land purchases and three major construction projects in progress at year's end.

Table 4 Capital Assets, Net of Depreciation Governmental activities June 30,		
	2007	2006
Land	\$ 4,939,976	3,402,832
Construction in progress	21,240,044	3,025,995
Buildings, improvements, furniture and equipment	60,035,806	60,704,017
Total	<u>\$ 86,215,826</u>	<u>67,132,844</u>

## Debt

As of June 30, 2007, the Waukee Community School District had general obligation and capital loan notes outstanding totaling \$89,590,000. In the current year, the District paid \$3,100,000 in principal and \$2,980,245 in interest.

As of June 30, 2007, the District's available debt margin was \$122,158,888 which leaves a legal debt margin of \$32,568,888 once the current year applicable general obligation and capital loan debt is applied.

Additional information about the District's long-term debt can be found in note 6 to the financial statements.

## **Economic Factors and Next Year's Budgets and Rates**

The District is located in the central part of the state, approximately 15 miles west of the city of Des Moines. The District, comprised totally in Dallas County, Iowa, is one of the fastest growing county in the nation. The District is the fastest growing school district in the State of Iowa. The September 2006 student enrollment increased 547.6 students over the previous year. The economic condition and outlook of the District is one of great optimism. Total assessed value in the District has increased 1.9 billion dollars since the 1997-98 fiscal year. The taxable assessed value has increased 301% since 1998 and 54.0% in the last two fiscal years. For the current fiscal year, taxable assessed value in the District increased \$362,163,840 or 30.9%.

Based on conservative estimates this trend is expected to continue and probably accelerate in the immediate future. The eastern portions of Dallas County are experiencing tremendous growth in both residential and commercial development. The collection of the Dallas County local option sales tax, a one cent tax on all covered retail sales began in January of 2004 and generated \$4.1 million dollars in fiscal 2007. An estimated \$4.9 million dollars is expected to be generated in 2008. The one-cent sales tax will continue through December of 2013.

This tremendous growth, while having a positive impact, also presents significant challenges for the District. The District is utilizing the optional instructional support levy to its fullest and will need to continue its high level of efficient use of human resources and facilities.

Retail sales, building permits and population increases in the western suburbs far exceed that of any other location in the metropolitan area or in the State of Iowa. Dallas County is one of the fastest growing county in the country. These increases are projected to continue if economic conditions remain favorable.

The past year saw the State of Iowa's economic downturn began to turn in a positive direction. Revenue projections at the state level increased again for the third consecutive year. While the District has faced reductions in funding for state aid and other state-funded programs in previous years, the future looks brighter with the 2007 legislature setting allowable growth for the 2007-08 and 2008-09 fiscal years at 4%. We are optimistic about the State of Iowa's financial outlook. As the national economy continues to strengthen, state revenues usually follow the same upward direction.

## **Requests for Information**

These financial statements and discussions are designed to provide our students, citizens, taxpayers, investors and creditors with a complete disclosure of the District's finances and to demonstrate a high degree of accountability for the public dollars entrusted to us. If you have questions about this report or need additional information, please write Mr. R. Duane Van Gorp, Executive Director of Administrative Services, Waukee Community School District, 560 S.E. University Avenue, Waukee, Iowa, 50263.



## **Basic Financial Statements**

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2007

	Governmental Activities	Business Type Activities	Total Primary Government
<b>Assets</b>			
Current Assets:			
Cash and cash equivalents:			
Revenue bond reserve	\$ 1,890,000	-	1,890,000
Other	29,630,524	957,064	30,587,588
Receivables:			
Property tax:			
Delinquent	96,682	-	96,682
Succeeding year	27,781,276	-	27,781,276
Accounts	18,132	8,560	26,692
Accrued interest	114,339	-	114,339
Due from other governments	944,772	-	944,772
Inventories	37,183	37,674	74,857
Prepaid expense	189,434	-	189,434
Total current assets	60,702,342	1,003,298	61,705,640
Non-current assets:			
Land and improvements	4,939,976	-	4,939,976
Buildings and improvements	69,729,788	-	69,729,788
Vehicles, furniture and equipment	2,324,453	1,097,985	3,422,438
Construction in progress	21,240,044	-	21,240,044
Accumulated depreciation	(12,018,435)	(585,100)	(12,603,535)
Total non-current assets	86,215,826	512,885	86,728,711
<b>Total assets</b>	146,918,168	1,516,183	148,434,351
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	2,414,512	8,351	2,422,863
Salaries and benefits payable	3,139,292	14,399	3,153,691
Accrued interest payable	488,771	-	488,771
Deferred revenue:			
Succeeding year property tax	27,781,276	-	27,781,276
Other	-	31,710	31,710
Capital loan notes payable	1,330,000	-	1,330,000
Revenue bonds payable	2,500,000	-	2,500,000
General obligation bonds payable	2,205,000	-	2,205,000
Early retirement payable	186,869	-	186,869
Compensated absences	140,402	-	140,402
Total current liabilities	40,186,122	54,460	40,240,582
Non-current liabilities:			
Capital loan notes payable	12,575,000	-	12,575,000
Revenue bonds payable	16,400,000	-	16,400,000
General obligation bonds payable	50,385,000	-	50,385,000
Unamortized premium	251,792	-	251,792
Early retirement payable	432,674	-	432,674
Total non-current liabilities	80,044,466	-	80,044,466
<b>Total liabilities</b>	120,230,588	54,460	120,285,048

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
June 30, 2007

Governmental Activities	Business Type Activities	Total Primary Government
----------------------------	-----------------------------	-----------------------------

*Continued from previous page*

**Net Assets**

Invested in capital assets, net of related debt	14,051,616	512,885	14,564,501
Restricted for:			
Physical plant and equipment levy	1,117,415	-	1,117,415
Other special revenue purposes	396,682	-	396,682
Capital projects	6,148,174	-	6,148,174
Other purposes	158,461	-	158,461
Unrestricted	4,815,232	948,838	5,764,070
<b>Total net assets</b>	<u>\$ 26,687,580</u>	<u>1,461,723</u>	<u>28,149,303</u>

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2007

Functions/Programs	Program Revenues			
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Capital Grants and Contributions
Governmental activities:				
Instruction:				
Regular instruction	\$ 17,167,495	1,248,893	1,702,888	-
Special instruction	4,231,205	227,872	362,806	-
Other instruction	2,142,301	552,486	28,158	-
	23,541,001	2,029,251	2,093,852	-
Support Service:				
Student services	1,411,401	-	-	-
Instructional staff services	1,633,523	-	-	-
Administration services	2,959,359	-	-	-
Operating and maintenance of plant services	3,056,632	73,394	-	-
Transportation services	1,802,400	71,072	99,705	-
	10,863,315	144,466	99,705	-
Other expenditures:				
Facilities acquisition	676,064	-	-	-
Debt service - interest	3,202,401	-	-	-
AEA flowthrough	1,434,517	-	1,434,517	-
Depreciation (unallocated) *	1,555,532	-	-	-
	6,868,514	-	1,434,517	-
Total governmental activities	41,272,830	2,173,717	3,628,074	-
Business type activities:				
Instruction:				
Regular instruction	7,101	-	-	-
Support services:				
Administration services	277,806	-	-	-
Operating and maintenance of plant services	2,604	-	-	-
Transportation services	4,656	-	-	-
	285,066	-	-	-
Non-instructional programs:				
Food service operations	1,735,203	1,693,785	421,173	-
Daycare operations	358,348	470,059	-	-
	2,093,551	2,163,844	421,173	-
Total business type activities	2,385,718	2,163,844	421,173	-
Total primary governmental activities	\$ 43,658,548	4,337,561	4,049,247	-



Exhibit B

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business Type Activities	Total Primary Government
(14,215,714)	-	(14,215,714)
(3,640,527)	-	(3,640,527)
(1,561,657)	-	(1,561,657)
(19,417,898)	-	(19,417,898)
(1,411,401)	-	(1,411,401)
(1,633,523)	-	(1,633,523)
(2,959,359)	-	(2,959,359)
(2,983,238)	-	(2,983,238)
(1,631,623)	-	(1,631,623)
(10,619,144)	-	(10,619,144)
(676,064)	-	(676,064)
(3,202,401)	-	(3,202,401)
-	-	-
(1,555,532)	-	(1,555,532)
(5,433,997)	-	(5,433,997)
(35,471,039)	-	(35,471,039)
-	(7,101)	(7,101)
-	(277,806)	(277,806)
-	(2,604)	(2,604)
-	(4,656)	(4,656)
-	(285,066)	(285,066)
-	379,755	379,755
-	111,711	111,711
-	491,466	491,466
-	199,299	199,299
(35,471,039)	199,299	(35,271,740)

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2007

	Program Revenues		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest Capital Grants and Contributions
<b><i>Totals continued from previous pages</i></b>	<b>\$ 43,658,548</b>	<b>4,337,561</b>	<b>4,049,247</b>

## General Revenues:

Property tax levied for:

- General purposes
- Debt service
- Capital outlay

Local option sales and services tax

Unrestricted state grants

Grants and contributions not restricted to specific programs

Unrestricted investment earnings

Loss on retirement of capital assets

Other

Total general revenues, capital contributions and transfers

Change in net assets

Net assets beginning of year

Net assets end of year

\* This amount excludes the depreciation that is included in the direct expense of the various programs.

See notes to basic financial statements.

Exhibit B

Net (Expense) Revenue and Changes in Net Assets			
	Governmental Activities	Business Type Activities	Total Primary Government
\$	(35,471,039)	199,299	(35,271,740)
	15,916,649	-	15,916,649
	4,246,299	-	4,246,299
	2,544,765	-	2,544,765
	4,199,658	-	4,199,658
	15,518,867	-	15,518,867
	187,459	-	187,459
	1,299,865	40,854	1,340,719
	(2,862)	-	(2,862)
	191,524	-	191,524
	44,102,224	40,854	44,143,078
	8,631,185	240,153	8,871,338
	18,056,395	1,221,570	19,277,965
\$	26,687,580	1,461,723	28,149,303

WAUKEE COMMUNITY SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2007

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<b>Assets</b>					
Cash and pooled investments					
Revenue bond reserve	\$ -	-	1,890,000	-	1,890,000
Other	7,972,975	1,543,723	18,393,046	1,654,681	29,564,425
Receivables:					
Property tax:					
Current year delinquent	63,222	19,643	-	13,817	96,682
Succeeding year	19,142,972	4,393,433	-	4,244,871	27,781,276
Accounts	16,286	-	-	1,846	18,132
Accrued interest	33,778	503	75,717	4,341	114,339
Due from other governments	235,180	-	709,592	-	944,772
Inventories	37,183	-	-	-	37,183
Prepaid expense	189,434	-	-	-	189,434
<b>Total assets</b>	<b>\$ 27,691,030</b>	<b>5,957,302</b>	<b>21,068,355</b>	<b>5,919,556</b>	<b>60,636,243</b>
<b>Liabilities and Fund Balances</b>					
Liabilities:					
Accounts payable	\$ 683,165	200	1,689,391	30,061	2,402,817
Salaries and benefits payable	3,139,292	-	-	-	3,139,292
Deferred revenue:					
Succeeding year property tax	19,142,972	4,393,433	-	4,244,871	27,781,276
<b>Total liabilities</b>	<b>22,965,429</b>	<b>4,393,633</b>	<b>1,689,391</b>	<b>4,274,932</b>	<b>33,323,385</b>
Fund balances:					
Reserved for:					
Inventories	37,183	-	-	-	37,183
State grants	158,461	-	-	-	158,461
Debt service	-	1,563,669	-	-	1,563,669
Other purposes	-	-	1,890,000	-	1,890,000
Unreserved:					
Designated for:					
School program projects	79,513	-	-	-	79,513
Library	6,340	-	-	-	6,340
Industrial technology	1,130	-	-	-	1,130
Reported in non-major Special Revenue Fund	-	-	-	1,644,624	1,644,624
Undesignated	4,442,974	-	17,488,964	-	21,931,938
<b>Total fund balances</b>	<b>4,725,601</b>	<b>1,563,669</b>	<b>19,378,964</b>	<b>1,644,624</b>	<b>27,312,858</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,691,030</b>	<b>5,957,302</b>	<b>21,068,355</b>	<b>5,919,556</b>	<b>60,636,243</b>

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET ASSETS  
 June 30, 2007

**Total fund balances of governmental funds (Exhibit C)** \$ 27,312,858

***Amounts reported for governmental activities in the  
 statement of net assets are different because:***

Capital assets used in governmental activities are not financial resources  
 and, therefore, are not reported as assets in the governmental funds. 86,215,826

The Internal Service Fund is used to charge the costs of the District's  
 flexible benefits plan and self-funded dental plan to the governmental  
 funds. The net assets of the Internal Service Fund are therefore included  
 in governmental activities. 54,404

Accrued interest payable on long-term liabilities is not due and payable in  
 the current period and, therefore, is not reported as a liability in the  
 governmental funds. (488,771)

Long-term liabilities, including bonds and notes payable, early retirement  
 and compensated absences, are not due and payable in the current  
 period and, therefore, are not reported as liabilities in the governmental  
 funds. (86,406,737)

**Net assets of governmental activities (Exhibit A)** \$ 26,687,580

See notes to basic financial statements.

## Exhibit E

WAUKEE COMMUNITY SCHOOL DISTRICT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 Year ended June 30, 2007

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
Revenues:					
Local sources:					
Local tax	\$ 15,417,932	4,246,299	4,199,658	3,043,482	26,907,371
Tuition	1,209,866	-	-	-	1,209,866
Other	812,274	65,355	852,243	874,544	2,604,416
State sources	18,698,603	820	-	598	18,700,021
Federal sources	485,203	-	-	-	485,203
Total revenues	36,623,878	4,312,474	5,051,901	3,918,624	49,906,877
Expenditures:					
Current:					
Instruction:					
Regular instruction	16,734,559			210,226	16,944,785
Special instruction	4,233,291			-	4,233,291
Other instruction	1,402,505			744,551	2,147,056
	22,370,355	-	-	954,777	23,325,132
Support services:					
Student services	1,402,562			10,575	1,413,137
Instructional staff services	1,620,876			10,177	1,631,053
Administration services	2,874,572		750	34,457	2,909,779
Operation and maintenance of plant services	2,811,778			211,500	3,023,278
Transportation services	1,797,024			56,560	1,853,584
	10,506,812	-	750	323,269	10,830,831
Non-instructional programs:					
Food services	-	-	-	265	265
	-	-	-	265	265
Capital outlay:					
Facilities acquisition	-		20,664,421	692,164	21,356,585
Debt service:					
Principal	-	3,100,000	-	-	3,100,000
Interest	-	3,166,074	-	-	3,166,074
Fiscal charges	-	4,800	-	-	4,800
AEA flowthrough	1,434,517	-	-	-	1,434,517
	1,434,517	6,270,874	20,664,421	692,164	29,061,976
Total expenditures	34,311,684	6,270,874	20,665,171	1,970,475	63,218,204
Excess (deficiency) of revenues over (under) expenditures	2,312,194	(1,958,400)	(15,613,270)	1,948,149	(13,311,327)

## Exhibit E

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year ended June 30, 2007

	General	Debt Service	Capital Projects	Non-major Governmental Funds	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Sale of equipment	-	-	-	100	100
Interfund transfers in	-	3,101,062	-	-	3,101,062
Interfund transfers out	-	-	(1,263,604)	(1,837,458)	(3,101,062)
Payment to refunded bonds escrow agent	-	(4,285,000)	-	-	(4,285,000)
Refunding bonds issued	-	4,435,000	-	-	4,435,000
Revenue bonds issued	-	-	18,900,000	-	18,900,000
Premium on sale of bonds	-	37,158	248,562	-	285,720
Total other financing sources (uses)	-	3,288,220	17,884,958	(1,837,358)	19,335,820
Net change in fund balances	2,312,194	1,329,820	2,271,688	110,791	6,024,493
Fund balances beginning of year	2,413,407	233,849	17,107,276	1,533,833	21,288,365
Fund balances end of year	\$ 4,725,601	1,563,669	19,378,964	1,644,624	27,312,858

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 Year ended June 30, 2007

**Net change in fund balances - total governmental funds (Exhibit E)** **\$ 6,024,493**

***Amounts reported for governmental activities in the statement of activities are different because:***

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Expenditures for capital assets	\$ 20,735,371	
Depreciation expense	<u>(1,649,427)</u>	19,085,944

In the Statement of Activities, the loss on the disposition of capital assets is reported, whereas the governmental funds report the proceeds from the disposition as an increase in financial resources. The loss on disposition of capital assets and the proceeds from disposition are as follows:

Loss on disposition of capital assets	\$ (2,862)	
Proceeds from the disposition	<u>(100)</u>	(2,962)

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Current year issues exceeded repayments as follows:

Issued	\$ (23,335,000)	
Repaid	<u>7,385,000</u>	(15,950,000)

Bonds issued at a premium provide current financial resource to governmental funds, but increase the long-term liabilities of in the statement of net assets. The premiums on issued bonds exceeded the amortized premiums as follows:

Premiums on issued bonds	\$ (285,720)	
Amortization of premiums expense	<u>33,928</u>	(251,792)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

(65,455)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	\$ (199,375)	
Compensated absences	<u>(24,328)</u>	(223,703)

The change in net assets of the Internal Service Funds represent an undercharge to the governmental funds served and, therefore, increases expenses in the Statement of Activities.

14,660

**Change in net assets of governmental activities (Exhibit B)**

\$ 8,631,185

See notes to basic financial statements.



WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2007

	Business Type Activities			Governmental Activities
	School Nutrition	Non-major Daycare	Total	Internal Service Fund
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 780,754	176,310	957,064	66,099
Receivables:				
Accounts	6,410	2,150	8,560	-
Inventories	37,674	-	37,674	-
Capital assets, net of accumulated depreciation	500,101	12,784	512,885	-
<b>Total current assets</b>	<b>1,324,939</b>	<b>191,244</b>	<b>1,516,183</b>	<b>66,099</b>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	4,762	3,589	8,351	11,695
Salaries and benefits payable	5,902	8,497	14,399	-
Deferred revenue	31,710	-	31,710	-
<b>Total current liabilities</b>	<b>42,374</b>	<b>12,086</b>	<b>54,460</b>	<b>11,695</b>
<b>Net Assets</b>				
Invested in capital assets	500,101	12,784	512,885	-
Unrestricted	782,464	166,374	948,838	54,404
<b>Total net assets</b>	<b>\$ 1,282,565</b>	<b>179,158</b>	<b>1,461,723</b>	<b>54,404</b>

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS  
Year ended June 30, 2007

	Business Type Activities			Governmental Activities
	School Nutrition	Non-major Daycare	Total	Internal Service Fund
Operating revenue:				
Local sources:				
Charges for services	\$ 1,693,785	470,059	2,163,844	423,613
Operating expenses:				
Instructional programs:				
Regular instruction	-	7,101	7,101	-
Support services:				
Administration services	273,932	3,874	277,806	-
Operation and maintenance of plant services	2,604	-	2,604	-
Transportation services	-	4,656	4,656	-
	276,536	8,530	285,066	-
Non-instructional programs:				
Food service operations:				
Depreciation	87,057	-	87,057	-
Other	1,648,146	-	1,648,146	-
	1,735,203	-	1,735,203	-
Other enterprise operations:				
Depreciation	-	752	752	-
Other	-	357,596	357,596	409,915
	-	358,348	358,348	409,915
	1,735,203	358,348	2,093,551	409,915
Total operating expenses	2,011,739	373,979	2,385,718	409,915
Operating income (loss)	(317,954)	96,080	(221,874)	13,698
Non-operating revenues:				
Interest on investments	35,026	5,828	40,854	962
State sources	20,986	-	20,986	-
Federal sources	400,187	-	400,187	-
Total non-operating revenues	456,199	5,828	462,027	962
Change in net assets	138,245	101,908	240,153	14,660
Net assets beginning of year	1,144,320	77,250	1,221,570	39,744
Net assets end of year	\$ 1,282,565	179,158	1,461,723	54,404

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year ended June 30, 2007

	Business Type Activities		Governmental Activities
	School Nutrition	Non-major - Daycare	Internal Service Fund
Cash flows from operating activities:			
Cash received from sale of lunches and breakfasts	\$ 1,696,450	-	1,696,450
Cash received from miscellaneous operating activities	-	467,909	423,648
Cash payments to employees for services	(891,799)	(336,881)	-
Cash payments to suppliers for goods or services	(963,834)	(43,431)	(424,061)
Net cash used by operating activities	(159,183)	87,597	(413)
Cash flows from non-capital financing activities:			
State grants received	20,986	-	-
Federal grants received	330,315	-	-
Net cash provided by non-capital financing activities	351,301	-	-
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(22,606)	-	-
Cash flows from investing activities:			
Interest on investments	35,026	5,828	962
Net increase in cash and cash equivalents	204,538	93,425	549
Cash and cash equivalents at beginning of year	576,216	82,885	65,550
Cash and cash equivalents at end of year	\$ 780,754	176,310	66,099
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (317,954)	96,080	13,698
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Commodities used	69,872	-	-
Depreciation	87,057	752	-
Decrease (Increase) in accounts receivable	(4,710)	(2,150)	35
Decrease in due from other governments	5,001	-	-
(Increase) in inventories	(5,573)	-	-
Increase (decrease) in accounts payable	1,756	(488)	(14,146)
Increase (decrease) in salaries and benefits payable	4,578	(6,597)	-
(Decrease) in interfund payable	(1,584)	-	-
Increase in deferred revenue	2,374	-	-
Net cash provided (used) by operating activities	\$ (159,183)	87,597	(413)
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b>			
Current assets:			
Cash and investments	\$ 780,754	176,310	66,099
Cash and cash equivalents at year end	\$ 780,754	176,310	66,099

**Non-cash investing, capital and financing activities:**

During the year ended June 30, 2007, the District received federal commodities valued at \$69,872.

See notes to basic financial statements.

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
June 30, 2007

	Private Purpose Trust	
	Scholarship	Agency
<b>Assets</b>		
Cash and pooled investments	\$ 220,258	7,999
<b>Total assets</b>	<u>220,258</u>	<u>7,999</u>
<b>Liabilities:</b>		
Accounts payable	-	151
Other payables	-	7,848
<b>Total liabilities</b>	<u>-</u>	<u>7,999</u>
<b>Net assets</b>		
Assets held in trust for scholarships	<u>220,258</u>	-
<b>Total net assets</b>	<u>\$ 220,258</u>	<u>-</u>

See notes to financial statements.

Exhibit K

WAUKEE COMMUNITY SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
Year Ended June 30, 2007

	Private Purpose Trust
	Scholarship
Additions:	
Local sources:	
Interest	\$ 9,720
Total revenues	<u>9,720</u>
Deductions:	
Instruction:	
Services	8,152
Supplies	-
Other	1,000
Total expenditures	<u>9,152</u>
Change in net assets	568
Net assets beginning of year	<u>219,690</u>
Net assets end of year	<u><u>\$ 220,258</u></u>

See notes to financial statements.

# WAUKEE COMMUNITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2007

### (1) Summary of Significant Accounting Policies

The Waukee Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve and special education pre-kindergarten. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Waukee, Iowa; portions of the cities of West Des Moines, Clive and Urbandale, and the agricultural territory in Dallas County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

#### A. Reporting Entity

For financial reporting purposes, Waukee Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. Waukee Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organization – The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Dallas County Assessor's Conference Board.

#### B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

*Invested in capital assets, net of related debt* consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(1) *Summary of Significant Accounting Policies (continued from previous page)*  
B. Basis of Presentation (continued from previous page)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

The District reports the following major governmental funds:

The General Fund is the general operating fund of the District. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenses, including instructional, support and other costs.

The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

Additionally, the District reports the following fund types:

Proprietary Funds:

The Enterprise, School Nutrition Fund is a major fund and is used to account for the food service operations of the District.

The Enterprise, Daycare Fund is a non-major fund and is used to account for the daycare service operations of the District.

Internal Service Funds include the Flexible Benefits Fund and the Self-Funded Dental Plan Fund which are used to account for the flexible benefits program and the dental insurance plan offered by the District.

The District also reports fiduciary funds which focus on net assets and changes in net assets. The District's fiduciary funds include the following:

The Private Purpose Trust Fund is used to account for assets held by the District under trust agreements with restrictions of income earned to be used to benefit individuals through scholarship awards.

The Agency Fund is used to account for assets held by the District as an agent for individuals, private organizations and other governments. The Agency Fund is custodial in nature, assets equal liabilities, and does not involve measurement of results of operations.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(1) *Summary of Significant Accounting Policies (continued from previous page)*

C. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

All proprietary funds of the District apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.



WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(1) *Summary of Significant Accounting Policies (continued from previous page)*

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The cash balances of most District funds are pooled and invested. Investments are stated at fair value except for the investments in the Iowa Schools Joint Investment Trust and IPAS Education, which are valued at amortized cost, and non-negotiable certificates of deposit, which are stated at cost.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2005 assessed property valuations; is for the tax accrual period July 1, 2006 through June 30, 2007 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2006.

Interfund Receivables and Payables – During the course of its operations, the District may have certain transactions between funds or pooled cash balances. At June 30, 2007 there were no interfund receivable or payable amounts to report.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(1) *Summary of Significant Accounting Policies (continued from previous page)*  
Capital Assets (continued from previous page)

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 2,500
Buildings	2,500
Improvements other than buildings	2,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	2,500

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20 years
Furniture and equipment	5-20 years

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds as well as property tax receivables and other receivables not collected within sixty days after year end. Deferred revenue for proprietary funds and business type activities consists of unearned lunch revenues.

Deferred revenue on the Statement of Net Assets consists of succeeding year property tax receivable that will not be recognized as revenue until the year for which it is levied.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2007. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(1) *Summary of Significant Accounting Policies (continued from previous page)*

D. Assets, Liabilities and Fund Equity (continued from previous page)

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2007, expenditures in the instruction functional area exceeded the amount budgeted.

(2) **Cash and Pooled Investments**

As of June 30, 2007, the carrying amount of the District's bank deposits and pooled investments totaled \$32,705,844 with actual bank balances of \$1,857,476 and investment balances of \$30,848,368. Of the bank balances, \$300,000 was covered by federal depository insurance and \$1,557,476 was collateralized by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2007, the District had investments in the following:

Type	Amortized Cost/Fair Value
Iowa Schools Joint Investment Trust -	
Diversified Portfolio	\$ 878,100
IPASeducation	26,585,028
Money Market Mutual Fund	3,180,240
Negotiable Certificates of Deposit	205,000
	<u>\$ 30,848,368</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

**(2) Cash and Pooled Investments (continued from previous page)**

The investments in the Iowa Schools Joint Investment Trust and IPASeducation are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940. The negotiable certificates of deposit and money market mutual fund are stated at fair value.

Credit risk. The investments in the Iowa Schools Joint Investment Trust were rated Aaa by Moody's Investors Service. The investments in IPASeducation and the money market mutual fund are unrated.

**(3) Interfund Transfers**

The detail of interfund transfers for the year ended June 30, 2007 is as follows:

Transfer to	Transfer from	Amount
Debt Service Fund	Physical Plant and Equipment Levy	\$ 1,837,458
Debt Service Fund	Capital Projects Fund	1,263,604
		<u>\$ 3,101,062</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(4) Capital Assets

Capital assets activity for the year ended June 30, 2007 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 3,402,832	1,537,144	-	4,939,976
Construction in progress	3,025,995	18,214,049	-	21,240,044
Total capital assets not being depreciated	6,428,827	19,751,193	-	26,180,020
Capital assets being depreciated:				
Buildings	65,981,528	91,698	-	66,073,226
Improvements other than buildings	3,244,281	412,281	-	3,656,562
Furniture and equipment	1,892,620	480,199	48,366	2,324,453
Total capital assets being depreciated	71,118,429	984,178	48,366	72,054,241
Less accumulated depreciation for:				
Buildings	8,351,977	1,309,347	-	9,661,324
Improvements other than buildings	1,228,071	153,347	-	1,381,418
Furniture and equipment	834,364	186,733	45,404	975,693
Total accumulated depreciation	10,414,412	1,649,427	45,404	12,018,435
Total capital assets being depreciated, net	60,704,017	(665,249)	2,962	60,035,806
Governmental activities capital assets, net	\$ 67,132,844	19,085,944	2,962	86,215,826
<b>Business type activities:</b>				
Furniture and equipment	\$ 1,075,379	22,606	-	1,097,985
Less accumulated depreciation	497,291	87,809	-	585,100
Business-type activities capital assets, net	\$ 578,088	(65,203)	-	512,885
Depreciation expense was charged by the District as follows:				
Governmental activities:				
Instruction:				
Regular				\$ 37,806
Other				-
Support services:				
Student services				2,638
Instructional staff services				6,401
Administration				9,144
Operation and maintenance of plant				34,240
Transportation				3,666
				93,895
Unallocated				1,555,532
Total depreciation expense - governmental activities				\$ 1,649,427
Business type activities:				
Food services				\$ 87,057
Community Daycare				752
				\$ 87,809

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2007 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Capital loan notes	\$ 15,000,000	-	1,095,000	13,905,000	1,330,000
Revenue bonds	-	18,900,000	-	18,900,000	2,500,000
General obligation bonds	54,445,000	4,435,000	6,290,000	52,590,000	2,205,000
Early retirement	420,168	282,784	83,409	619,543	186,869
Compensated absences	116,074	140,402	116,074	140,402	140,402
	<u>\$ 69,981,242</u>	<u>23,758,186</u>	<u>7,584,483</u>	<u>86,154,945</u>	<u>6,362,271</u>

Capital Loan Notes Payable

Details of the District's June 30, 2007 capital loan note indebtedness are as follows:

Capital Loan Note of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2008	3.50%	\$ 1,330,000	518,369	1,848,369
2009	3.50%	1,380,000	471,819	1,851,819
2010	3.50%	1,430,000	423,519	1,853,519
2011	3.50%	1,480,000	373,469	1,853,469
2012	3.625%	1,535,000	321,669	1,856,669
2013	3.750%	1,590,000	266,025	1,856,025
2014	4.000%	1,655,000	206,400	1,861,400
2015	4.000%	1,720,000	140,200	1,860,200
2016	4.000%	1,785,000	71,400	1,856,400
Total		<u>\$ 13,905,000</u>	<u>2,792,870</u>	<u>16,697,870</u>

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) *Long-Term Liabilities (continued from previous page)*

Revenue Bonds

Details of the District's June 30, 2007 School Infrastructure Local Option Sales and Services Tax Revenue Bond indebtedness is as follows:

LOSST Revenue Bond of January 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.00%	\$ 2,500,000	659,010	3,159,010
2009	4.00%	2,475,000	690,812	3,165,812
2010	4.25%	2,570,000	591,812	3,161,812
2011	4.25%	2,675,000	482,588	3,157,588
2012	4.250%	2,780,000	368,900	3,148,900
2013	4.250%	2,890,000	250,750	3,140,750
2014	4.250%	3,010,000	127,926	3,137,926
Total		<u>\$ 18,900,000</u>	<u>3,171,798</u>	<u>22,071,798</u>

The local option sales and services tax revenue bonds were issued for the purpose of defraying a portion of the cost of school infrastructure. The bonds are payable solely from the proceeds of the local option sales and services tax revenues received by the District. The bonds are not a general obligation of the District. However, the debt is subject to the constitutional debt limitation of the District.

The resolution providing for the issuance of the local option sales and services tax revenue bonds includes the following provisions:

- a) \$1,890,000 of the proceeds from the issuance of the revenue bonds shall be deposited to a Reserve Account to be used solely for the purpose of paying principal and interest on the bonds if insufficient money is available in the Sinking Account. The balance of the proceeds shall be deposited to the Project Account.
- b) All proceeds from the local option sales and services tax shall be placed in a Revenue Account.
- c) Monies in the Revenue Account shall be disbursed to make deposits into a Sinking Account to pay the principal and interest requirements of the revenue bonds for the fiscal year.
- d) Any monies remaining in the Revenue Account after the required transfer to the Sinking Account may be transferred to the Project Account to be used for any lawful purpose.

The District complied with all of the revenue bond provisions during the year ended June 30, 2007.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) *Long-Term Liabilities (continued from previous page)*

Bonds Payable

Details of the District's June 30, 2007 general obligation bonded indebtedness are as follows:

Bond Issue of July 1, 1997				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.900%	\$ 105,000	78,498	183,498
2009	5.000%	115,000	73,352	188,352
2010	5.100%	120,000	67,602	187,602
2011	5.150%	130,000	61,482	191,482
2012	5.200%	150,000	54,788	204,788
2013	5.250%	150,000	46,988	196,988
2014	5.250%	165,000	39,112	204,112
2015	5.250%	190,000	30,450	220,450
2016	5.250%	190,000	20,475	210,475
2017	5.250%	200,000	10,500	210,500
Subtotal		1,515,000	483,247	1,998,247

July 1, 1998 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.500%	\$ 115,000	118,255	233,255
2009	4.500%	120,000	113,080	233,080
2010	4.550%	125,000	107,680	232,680
2011	4.600%	115,000	101,992	216,992
2012	4.650%	115,000	96,702	211,702
2013	4.650%	205,000	91,355	296,355
2014	4.700%	230,000	81,822	311,822
2015	4.750%	360,000	71,012	431,012
2016	4.750%	390,000	53,912	443,912
2017	4.750%	260,000	35,388	295,388
2018	4.750%	485,000	23,038	508,038
Subtotal		2,520,000	894,236	3,414,236

June 1, 1999 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.3%	\$ 50,000	161,005	211,005
2009	4.4%	50,000	158,855	208,855
2010	4.4%	50,000	156,655	206,655
2011	4.5%	50,000	154,455	204,455
2012	4.5%	80,000	152,205	232,205
2013	4.6%	375,000	148,605	523,605
2014	4.7%	375,000	131,355	506,355
2015	4.7%	375,000	113,918	488,918
2016	4.8%	375,000	96,292	471,292
2017	4.8%	530,000	78,480	608,480
2018	4.8%	530,000	53,040	583,040
2019	4.8%	575,000	27,600	602,600
Subtotal		3,415,000	1,432,465	4,847,465



WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) *Long-Term Liabilities (continued from previous page)*  
*Bonds Payable (continued from previous page)*

March 1, 2001 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.20%	\$ 120,000	126,920	246,920
2009	4.30%	125,000	121,880	246,880
2010	4.40%	130,000	116,505	246,505
2011	4.50%	135,000	110,785	245,785
2012	4.60%	140,000	104,710	244,710
2013	4.70%	145,000	98,270	243,270
2014	4.80%	150,000	91,455	241,455
2015	4.85%	155,000	84,255	239,255
2016	4.90%	160,000	76,738	236,738
2017	4.95%	205,000	68,898	273,898
2018	5.00%	215,000	58,750	273,750
2019	5.00%	415,000	48,000	463,000
2020	5.00%	545,000	27,250	572,250
Subtotal		2,640,000	1,134,416	3,774,416

April 1, 2002 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	3.750%	\$ 190,000	269,546	459,546
2009	4.000%	195,000	262,421	457,421
2010	4.000%	200,000	254,621	454,621
2011	4.050%	210,000	246,621	456,621
2012	4.150%	220,000	238,116	458,116
2013	4.250%	230,000	228,986	458,986
2014	4.300%	240,000	219,211	459,211
2015	4.400%	250,000	208,892	458,892
2016	4.500%	260,000	197,891	457,891
2017	4.600%	435,000	186,191	621,191
2018	4.625%	515,000	166,181	681,181
2019	4.700%	750,000	142,363	892,363
2020	4.750%	1,050,000	107,113	1,157,113
2021	4.750%	1,205,000	57,238	1,262,238
Subtotal		5,950,000	2,785,391	8,735,391

November 15, 2002 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	3.000%	\$ 550,000	151,325	701,325
2009	3.000%	595,000	134,825	729,825
2010	3.250%	640,000	116,975	756,975
2011	3.300%	640,000	96,175	736,175
2012	3.400%	680,000	75,055	755,055
2013	3.600%	100,000	51,935	151,935
2014	3.800%	105,000	48,335	153,335
2015	4.000%	110,000	44,345	154,345
2016	4.000%	115,000	39,945	154,945
2017	4.100%	120,000	35,345	155,345
2018	4.200%	125,000	30,425	155,425
2019	4.300%	130,000	25,175	155,175
2020	4.400%	140,000	19,585	159,585
2021	4.500%	145,000	13,425	158,425
2022	4.600%	150,000	6,900	156,900
Subtotal		4,345,000	889,770	5,234,770

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) *Long-Term Liabilities (continued from previous page)*  
*Bonds Payable (continued from previous page)*

June 1, 2003 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	2.500%	\$ 105,000	324,570	429,570
2009	2.750%	105,000	321,945	426,945
2010	3.000%	110,000	319,058	429,058
2011	3.000%	110,000	315,758	425,758
2012	3.100%	120,000	312,458	432,458
2013	3.250%	100,000	308,738	408,738
2014	3.350%	100,000	305,488	405,488
2015	3.450%	100,000	302,138	402,138
2016	3.550%	105,000	298,688	403,688
2017	3.650%	105,000	294,960	399,960
2018	3.750%	110,000	291,128	401,128
2019	3.850%	205,000	287,003	492,003
2020	3.900%	1,200,000	279,110	1,479,110
2021	4.000%	1,730,000	232,310	1,962,310
2022	4.000%	1,915,000	163,110	2,078,110
2023	4.100%	2,110,000	86,510	2,196,510
Subtotal		8,330,000	4,442,972	12,772,972

June 1, 2004 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	3.500%	\$ 105,000	386,300	491,300
2009	3.500%	110,000	382,625	492,625
2010	3.500%	115,000	378,775	493,775
2011	3.500%	110,000	374,750	484,750
2012	4.000%	105,000	370,900	475,900
2013	4.000%	100,000	366,700	466,700
2014	4.000%	105,000	362,700	467,700
2015	3.800%	110,000	358,500	468,500
2016	3.900%	115,000	354,320	469,320
2017	4.000%	110,000	349,835	459,835
2018	4.100%	115,000	345,435	460,435
2019	4.150%	120,000	340,720	460,720
2020	4.300%	315,000	335,740	650,740
2021	4.400%	315,000	322,195	637,195
2022	4.400%	1,480,000	308,335	1,788,335
2023	4.400%	1,585,000	243,215	1,828,215
2024	4.500%	3,855,000	173,475	4,028,475
Subtotal		8,870,000	5,754,520	14,624,520

February 1, 2005 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.000%	\$ 225,000	191,100	416,100
2009	4.000%	225,000	182,100	407,100
2010	4.000%	225,000	173,100	398,100
2011	3.250%	225,000	164,100	389,100
2012	3.150%	300,000	156,788	456,788
2013	3.300%	300,000	147,337	447,337
2014	3.400%	300,000	137,438	437,438
2015	3.500%	300,000	127,237	427,237
2016	3.600%	300,000	116,738	416,738
2017	3.700%	325,000	105,937	430,937
2018	3.800%	325,000	93,913	418,913
2019	3.900%	325,000	81,562	406,562
2020	3.950%	325,000	68,888	393,888
2021	4.000%	325,000	56,050	381,050
2022	4.050%	350,000	43,050	393,050
2023	4.100%	350,000	28,875	378,875
2024	4.150%	350,000	14,525	364,525
Subtotal		5,075,000	1,888,738	6,963,738

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) *Long-Term Liabilities (continued from previous page)*  
*Bonds Payable (continued from previous page)*

March 1, 2005 Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	3.450%	\$ 520,000	193,890	713,890
2009	3.450%	535,000	175,950	710,950
2010	3.450%	520,000	157,492	677,492
2011	3.450%	575,000	139,553	714,553
2012	3.450%	570,000	119,715	689,715
2013	3.450%	680,000	100,050	780,050
2014	3.450%	705,000	76,590	781,590
2015	3.450%	745,000	52,267	797,267
2016	3.450%	770,000	26,565	796,565
Subtotal		5,620,000	1,042,072	6,662,072

July 1, 2006 Refunding Bond Issue				
Year ended June 30,	Rates	Principal	Interest	Total
2008	4.00%	\$ 120,000	182,225	302,225
2009	4.00%	120,000	177,425	297,425
2010	4.00%	140,000	172,625	312,625
2011	4.25%	150,000	167,025	317,025
2012	4.25%	125,000	160,650	285,650
2013	4.25%	305,000	155,338	460,338
2014	4.25%	320,000	142,375	462,375
2015	4.25%	200,000	128,775	328,775
2016	4.25%	230,000	120,275	350,275
2017	4.25%	855,000	110,500	965,500
2018	4.25%	855,000	74,162	929,162
2019	4.25%	890,000	37,825	927,825
Subtotal		4,310,000	1,629,200	5,939,200

Totals			
Year ended June 30,	Principal	Interest	Total
2008	\$ 2,205,000	2,183,634	4,388,634
2009	2,295,000	2,104,458	4,399,458
2010	2,375,000	2,021,088	4,396,088
2011	2,450,000	1,932,696	4,382,696
2012	2,605,000	1,842,087	4,447,087
2013	2,690,000	1,744,302	4,434,302
2014	2,795,000	1,635,881	4,430,881
2015	2,895,000	1,521,789	4,416,789
2016	3,010,000	1,401,839	4,411,839
2017	3,145,000	1,276,034	4,421,034
2018	3,275,000	1,136,072	4,411,072
2019	3,410,000	990,248	4,400,248
2020	3,575,000	837,686	4,412,686
2021	3,720,000	681,218	4,401,218
2022	3,895,000	521,395	4,416,395
2023	4,045,000	358,600	4,403,600
2024	4,205,000	188,000	4,393,000
Total	\$ 52,590,000	22,377,027	74,967,027

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

(5) *Long-Term Liabilities (continued from previous page)*

Advance Refunding – During the current year, the District issued \$4,435,000 of refunding bonds to provide the resources for an advance refunding on the District's bonds dated June 1, 2000. As a result, the advance refunded bonds are considered to be defeased and the trust account assets and liabilities for the defeased bonds are not included in the District's financial statements. As of June 30, 2007, \$4,195,000 of bonds considered defeased are still outstanding. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$337,608 and resulted in an economic gain of approximately \$257,730.

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must be at least age fifty-five but less than sixty-one years old and employees must have completed ten years of continuous service to the District. Employees must complete an application which is required to be approved by the Board of Education.

The early retirement incentive for each eligible employee is equal to 30% of the average of the employee's highest three years of salary. In addition, the District will pay an amount equal to the medical insurance single premium of the first year of retirement towards the cost of medical insurance until the employee reaches the age of sixty-five. The early retirement cash benefits will be paid in July following the start of retirement. Early retirement benefits are paid by the Special Revenue, Management Levy Fund.

At June 30, 2007, the District has obligations to nineteen participants with a total liability of \$619,543. Actual early retirement expenditures for the year ended June 30, 2007 totaled \$83,409. The long-term portion of early retirement is recorded as a long-term liability of the Governmental Activities in the government-wide financial statements.

(6) **Operating Leases**

The District is obligated under equipment leases for two trucks and for several copiers. These leases are accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and therefore are not included as capital assets or long-term liabilities in the District-wide financial statements. The agreements provide for monthly lease payments of \$815 for the trucks and monthly lease payments of \$12,322 for the copiers.

The total annual lease payments under the lease agreements are as follows:

Year ending June 30,	Truck Leases	Copier Leases	Total
2008	\$ 9,779	147,863	157,642
2009	5,197	49,288	54,485
	<u>\$ 14,976</u>	<u>197,151</u>	<u>212,127</u>

The total payments under the lease agreements for the year ended June 30, 2007 were \$157,204.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

**(7) Pension and Retirement Benefits**

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 3.70% of their annual covered salary and the District is required to contribute 5.75% of annual covered payroll for the years ended June 30, 2007, 2006 and 2005. Contribution requirements are established by State statute. The District's contributions to IPERS for the years ended June 30, 2007, 2006 and 2005 were \$1,233,735, \$1,042,037, and \$893,429, respectively, equal to the required contributions for each year.

**(8) Risk Management**

Waukee Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. During the year ended June 30, 2007, there were no significant reductions in coverage. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Partial Self-Funded Dental Insurance Plan

The District began a partial self-funded dental insurance plan during the year ended June 30, 2005. The plan is administered through a service agreement with Seabury and Smith. The District assumes liability for a maximum of the first \$1,000 of dental claims for each employee who participates in the plan. Employees participating in the plan are charged a premium each year to cover any estimated costs of the plan. The District reports the plan in the Internal Service, Self-Funded Dental Plan Fund. There was no claims liability at June 30, 2007.

A reconciliation of changes in the aggregate liabilities for claims for the year ended June 30, 2007 is as follows:

Unpaid claims at July 1, 2006	\$	-
Inurred claims		409,915
Payment		409,915
Unpaid claims at June 30, 2007	\$	-

**(9) Area Education Agency**

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$1,434,517 for the year ended June 30, 2007 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

**(10) Construction Commitments**

The District entered into various contracts totaling \$29,040,380 for additions to the high school, middle school and administrative building and for the construction of a new elementary school. As of June 30, 2007, costs of \$21,240,044 had been incurred against the contracts. The balance of \$7,800,336 remaining at June 30, 2007 will be paid as work on the projects progresses.

WAUKEE COMMUNITY SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS  
Year Ended June 30, 2007

**(11) Contingency**

The District has three ongoing lawsuits. The proceedings are still in the litigation stage and their outcomes cannot be determined at this time.

**(12) Disaggregation of Receivables and Payables**

Receivables and payables are disaggregated on the face of the basic financial statements. All receivables are expected to be collected within the next year.

### **Required Supplementary Information**

WAUKEE COMMUNITY SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL  
FUNDS AND PROPRIETARY FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION  
Year ended June 30, 2007

	Governmental Funds Actual	Proprietary Funds Actual
Revenues:		
Local sources	\$ 30,721,653	2,163,844
State sources	18,700,021	-
Federal sources	485,203	-
Total revenues	<u>49,906,877</u>	<u>2,163,844</u>
Expenditures:		
Instruction	23,325,132	7,101
Support services	10,830,831	285,066
Noninstructional programs	265	2,093,551
Other expenditures	29,061,976	-
Total expenditures	<u>63,218,204</u>	<u>2,385,718</u>
Excess (deficiency) of revenues over (under) expenditures	(13,311,327)	(221,874)
Other financing sources, net	<u>19,335,820</u>	<u>462,027</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,024,493	240,153
Balances beginning of year	<u>21,288,365</u>	<u>1,221,570</u>
Balances end of year	<u><u>\$ 27,312,858</u></u>	<u><u>1,461,723</u></u>

See accompanying independent auditor's report.



Total Actual	Budgeted Amounts		Final to Actual Variance- Positive (Negative)
	Original	Final	
32,885,497	27,583,138	30,083,138	2,802,359
18,700,021	18,677,517	18,677,517	22,504
485,203	396,000	396,000	89,203
52,070,721	46,656,655	49,156,655	2,914,066
23,332,233	21,107,000	22,107,000	(1,225,233)
11,115,897	13,368,041	14,368,041	3,252,144
2,093,816	2,400,000	2,900,000	806,184
29,061,976	28,586,114	30,986,114	1,924,138
65,603,922	65,461,155	70,361,155	4,757,233
(13,533,201)	(18,804,500)	(21,204,500)	7,671,299
19,797,847	16,500,000	18,900,000	897,847
6,264,646	(2,304,500)	(2,304,500)	8,569,146
22,509,935	12,738,254	12,738,254	9,771,681
28,774,581	10,433,754	10,433,754	18,340,827

WAUKEE COMMUNITY SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY REPORTING  
Year ended June 30, 2007

This budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds except internal service, private-purpose trust and agency funds. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on a GAAP basis.

Formal and legal budgetary control for the certified budget is based upon four major classes of expenditures known as functions, not by fund. These four functions are instruction, support services, non-instructional programs and other expenditures. Although the budget document presents function expenditures or expenses by fund, the legal level of control is at the aggregated function level, not by fund. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. During the year, the District adopted one budget amendment increasing budgeted disbursements by \$4,900,000.

During the year ended June 30, 2007, expenditures in the instruction function exceeded the amount budgeted and the District exceeded its General Fund unspent authorized budget.

### **Other Supplementary Information**

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2007

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<b>Assets</b>				
Current Assets:				
Cash and pooled investments	\$ 128,869	420,940	1,104,872	1,654,681
Receivables:				
Property tax:				
Current year delinquent	2,045	-	11,772	13,817
Succeeding year	1,100,006	-	3,144,865	4,244,871
Accounts	-	1,846	-	1,846
Accrued interest	-	-	4,341	4,341
<b>Total assets</b>	<b>\$ 1,230,920</b>	<b>422,786</b>	<b>4,265,850</b>	<b>5,919,556</b>
<b>Liabilities and Fund Balances</b>				
Current Liabilities:				
Accounts payable	\$ 387	26,104	3,570	30,061
Deferred revenue:				
Succeeding year property tax	1,100,006	-	3,144,865	4,244,871
Total liabilities	1,100,393	26,104	3,148,435	4,274,932
Fund balances:				
Unreserved, undesignated	130,527	396,682	1,117,415	1,644,624
<b>Total liabilities and fund balances</b>	<b>\$ 1,230,920</b>	<b>422,786</b>	<b>4,265,850</b>	<b>5,919,556</b>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2007

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 495,102	-	2,530,320	3,025,422
Excise taxes	2,974	-	11,874	14,848
Other taxes	641	-	2,571	3,212
	498,717	-	2,544,765	3,043,482
Other local sources:				
Interest on investments	846	18,607	67,461	86,914
Student activities	-	545,575	-	545,575
Donations	-	86,589	-	86,589
Other local revenue	27,990	127,476	-	155,466
	28,836	778,247	67,461	874,544
	527,553	778,247	2,612,226	3,918,026
State sources:				
Revenue in lieu of taxes :				
Military credit	107	-	491	598
Total revenues	527,660	778,247	2,612,717	3,918,624
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	139,230	-	-	139,230
Property	-	-	70,996	70,996
	139,230	-	70,996	210,226
Co-curricular instruction:				
Salaries	-	22,515	-	22,515
Benefits	-	3,017	-	3,017
Purchased services	-	78,867	-	78,867
Supplies	-	480,366	-	480,366
Property	-	69,478	-	69,478
Other	-	90,308	-	90,308
	-	744,551	-	744,551
Total instruction	139,230	744,551	70,996	954,777

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2007

***Continued from previous page***

Expenditures:

Current:

Support Services:

Student support:

Benefits

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Benefits	10,575	-	-	10,575

Instructional staff support:

Purchased services

Purchased services	10,177	-	-	10,177
	10,177	-	-	10,177

General administration:

Benefits

Purchased services

Benefits	1,251	-	-	1,251
Purchased services	5,404	-	-	5,404
	6,655	-	-	6,655

Building administration:

Benefits

Benefits	23,470	-	-	23,470
	23,470	-	-	23,470

Business administration:

Benefits

Supplies

Benefits	4,200	-	-	4,200
Supplies	-	132	-	132
	4,200	132	-	4,332

Plant operation and maintenance:

Benefits

Purchased services

Property

Benefits	14,176	-	-	14,176
Purchased services	170,840	-	-	170,840
Property	-	-	26,484	26,484
	185,016	-	26,484	211,500

Student transportation:

Benefits

Purchased services

Property

Benefits	-	-	-	-
Purchased services	-	1,710	-	1,710
Property	-	-	54,850	54,850
	-	1,710	54,850	56,560

Total support services

Total support services	240,093	1,842	81,334	323,269
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WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 Year ended June 30, 2007

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<b><i>Continued from previous page</i></b>				
Non-instructional Programs:				
Food services				
Benefits	265	-	-	265
Total non-instructional programs	265	-	-	265
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	619,078	619,078
Supplies	-	-	8,204	8,204
Property	-	-	64,882	64,882
	-	-	692,164	692,164
Total expenditures	379,588	746,393	844,494	1,970,475
Excess of revenues over expenditures	148,072	31,854	1,768,223	1,948,149
Other financing sources (uses):				
Proceeds from property sold	-	-	100	100
Operating transfers out	-	-	(1,837,458)	(1,837,458)
Total other financing uses	-	-	(1,837,358)	(1,837,358)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	148,072	31,854	(69,135)	110,791
Fund balances beginning of year	(17,545)	364,828	1,186,550	1,533,833
Fund balances end of year	\$ 130,527	396,682	1,117,415	1,644,624

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF NET ASSETS  
 INTERNAL SERVICE FUNDS  
 June 30, 2007

	Flexible Benefits	Self-funded Dental Plan	Total
<b>Assets</b>			
Current assets:			
Cash and pooled investments	\$ 35,070	31,029	66,099
<b>Total current assets</b>	<b>35,070</b>	<b>31,029</b>	<b>66,099</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	11,695	-	11,695
<b>Total current liabilities</b>	<b>11,695</b>	<b>-</b>	<b>11,695</b>
<b>Net Assets</b>			
Unrestricted	23,375	31,029	54,404
<b>Total net assets</b>	<b>\$ 23,375</b>	<b>31,029</b>	<b>54,404</b>

See accompanying independent auditor's report.



## Schedule 4

WAUKEE COMMUNITY SCHOOL DISTRICT  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
 INTERNAL SERVICE FUNDS  
 Year ended June 30, 2007

	Flexible Benefits	Self-funded Dental Plan	Total
Operating revenues:			
Local sources:			
Charges for services	\$ 241,508	182,105	423,613
Total operating revenues	241,508	182,105	423,613
Operating expenses:			
Non-instructional programs:			
Benefits	238,211	171,704	409,915
Total operating expenses	238,211	171,704	409,915
Operating income	3,297	10,401	13,698
Non-operating revenues:			
Interest income	962	-	962
Total non-operating revenues	962	-	962
Changes in net assets	4,259	10,401	14,660
Net assets beginning of year, as restated	19,116	20,628	39,744
Net assets end of year	\$ 23,375	31,029	54,404

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
COMBINING SCHEDULE OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year ended June 30, 2007

	Flexible Benefits	Self-funded Dental Plan	Total
Cash flows from operating activities:			
Cash received from miscellaneous operating activities	\$ 241,508	182,140	423,648
Cash payments to suppliers for goods or services	(252,357)	(171,704)	(424,061)
Net cash provided (used) by operating activities	(10,849)	10,436	(413)
Cash flows from investing activities:			
Interest on investments	962	-	962
Net increase in cash and cash equivalents	(9,887)	10,436	549
Cash and cash equivalents at beginning of year	44,957	20,593	65,550
Cash and cash equivalents at end of year	\$ 35,070	31,029	66,099
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income	\$ 3,297	10,401	13,698
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Decrease in accounts receivable	-	35	35
(Decrease) in accounts payable	(14,146)	-	(14,146)
Net cash provided (used) by operating activities	\$ (10,849)	10,436	(413)
<b>Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:</b>			
Current assets:			
Cash and investments	\$ 35,070	31,029	66,099
Cash and cash equivalents at year end	\$ 35,070	31,029	66,099

See accompanying independent auditor's report.

## WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balance End of Year
<b><u>High School:</u></b>				
Ambassadors	\$ 78	-	-	78
Annual	20,998	30,177	27,487	23,688
Art Club	137	60	-	197
Athletics	51,722	223,470	232,992	42,200
Auditorium	181	-	-	181
Band Resale	-	10,428	9,604	824
Baseball	-	7,203	4,599	2,604
Baseball/Softball Facility	17,563	5,649	907	22,305
Best Buddies	47	524	400	171
Boys Basketball	7,741	30,806	30,435	8,112
Boys Cross Country	907	983	1,329	561
Boys Golf	48	1,840	1,289	599
Boys Soccer	1,438	4,150	4,487	1,100
Boys Track	999	6,431	6,584	847
Cheerleaders	6,141	15,745	13,859	8,026
Class of 2005	2,942	-	-	2,942
Class of 2006	2,580	40	-	2,620
Class of 2007	6,907	4,914	6,063	5,759
Class of 2008	5,295	6,805	4,873	7,227
Class of 2009	4,009	4,378	-	8,386
Class of 2010	-	3,891	-	3,891
Dance/Drill Team	1,792	13,419	10,338	4,874
Drama	-	3,717	3,482	235
Drama Troupe	-	2,000	-	2,000
Drumline	73	-	-	73
Electrathon	144	-	86	59
FCCLA Club	242	2,811	3,123	(70)
Flag Team/Color Guard	815	1,140	1,904	51
Football	-	40,939	39,028	1,911
German/International Club	731	2,573	2,629	674
Girls Basketball	1,132	12,181	8,774	4,540
Girls Cross Country	761	2,158	1,996	923
Girls Golf	60	728	789	(2)
Girls Soccer	3,147	5,011	4,688	3,470
Girls Track	-	3,523	3,089	434
HS Improvement	9,554	5,519	7,316	7,757
HS Musical	4,847	9,900	10,529	4,218
Interest	16,306	18,606	132	34,780
National Honor Society	-	1,874	1,608	266
Pep Club	167	-	-	167
SADD	86	350	-	436
SELF Room	1,902	894	2,708	87
Skills USA	672	-	-	672
Softball	-	9,503	5,653	3,850
Speech	4,132	-	1,744	2,389
Student Council	2,195	5,469	5,847	1,817
Vocal Music	3,509	20,202	21,778	1,934

## WAUKEE COMMUNITY SCHOOL DISTRICT

SCHEDULE OF CHANGES IN SPECIAL REVENUE FUND, STUDENT ACTIVITY ACCOUNTS  
Year ended June 30, 2007

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balance End of Year
<i>(continued from previous page)</i>				
Volleyball	5,728	12,633	12,669	5,691
Weight Room	1,892	220	1,452	660
Wrestling	1,622	8,102	9,742	(17)
Youth for Safe Schools	380	-	-	380
<b><u>Prairieview:</u></b>				
Art Club	-	1,618	-	1,618
Athletic Resale	8,178	17,990	17,407	8,761
Band Resale	-	1,752	2,290	(538)
Concessions	292	-	-	292
Dance Team	1,600	1,732	2,031	1,301
Improvement Fund	9,468	12,884	12,374	9,978
Student Council	905	3,371	3,466	810
Swing Choir	471	-	-	471
Technology	409	-	470	(62)
Yearbook	10,150	11,498	11,719	9,929
<b><u>Middle School:</u></b>				
6th Grade	130	-	-	130
7th Grade	135	-	-	135
8th Grade	204	-	-	204
Athletic Resale	1,931	-	-	1,931
Band	1,011	3,648	3,742	917
Concessions	1,171	-	-	1,171
Drama/Speech/Musical	3,476	4,366	1,492	6,350
Improvement Fund	24,873	70,733	84,394	11,211
MS SELF	550	-	-	550
Swing Choir	3,267	3,593	1,607	5,253
Yearbook	300	9,610	5,947	3,963
<b><u>Elementary:</u></b>				
BV Band	89	-	-	89
BV Improvement	12,397	15,025	10,370	17,053
BV Student Council	2,210	-	188	2,022
Eason Band Resale	300	-	-	300
Eason Fine Arts	282	9,183	6,118	3,347
Eason Improvement	12,654	23,398	18,014	18,038
Eason Playground Project	2,871	-	-	2,871
Eason Student Council	2,150	-	-	2,150
WE Band Resale	205	204	-	409
WE Fine Art	165	-	-	165
WE Improvement	28,332	24,065	18,524	33,873
WE Playground	2,710	-	-	2,710
WE Student Council	7,091	-	2,318	4,774
WH Band	82	846	832	96
WH Improvement	33,147	21,763	37,078	17,831
Total	\$ 364,828	778,247	746,393	396,682

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUND  
 Year ended June 30, 2007

	Balance Beginning of Year	Additions	Deductions	Balance End of Year
<b>Assets</b>				
Cash	\$ 6,477	4,091	2,569	7,999
<b>Total assets</b>	<b>\$ 6,477</b>	<b>4,091</b>	<b>2,569</b>	<b>7,999</b>
<b>Liabilities</b>				
Accounts payable	\$ 679	151	679	151
Other payables	5,798	4,091	2,041	7,848
<b>Total liabilities</b>	<b>\$ 6,477</b>	<b>4,242</b>	<b>2,720</b>	<b>7,999</b>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION  
ALL GOVERNMENTAL FUNDS  
FOR THE LAST FIVE YEARS

	Modified Accrual Basis				
	2007	2006	2005	2004	2003
Revenues:					
Local sources:					
Local tax	\$ 26,907,371	21,898,342	18,724,901	14,220,453	12,501,101
Tuition	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538
Other	2,604,416	1,935,241	1,383,507	914,311	959,469
State sources	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405
Federal sources	485,203	437,201	407,377	254,243	207,125
Total	<u>\$ 49,906,877</u>	<u>41,649,066</u>	<u>35,116,991</u>	<u>27,574,891</u>	<u>24,633,638</u>
Expenditures:					
Instruction:					
Regular instruction	\$ 16,944,785	14,497,759	12,045,774	10,074,061	9,180,177
Special instruction	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872
Other instruction	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138
Support services:					
Student services	1,413,137	1,289,559	1,274,069	983,108	927,615
Instructional staff services	1,631,053	1,393,248	1,475,734	1,331,528	604,992
Administration services	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229
Operation and maintenance of plant services	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336
Transportation services	1,853,584	1,590,878	1,097,493	874,909	762,357
Non-instructional programs	265	-	-	369	352
Other expenditures:					
Capital outlay:					
Facilities acquisition	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943
Debt Service:					
Principal	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000
Interest	3,166,074	2,500,741	2,391,214	2,082,149	1,900,449
Fiscal charges	4,800	90,809	86,343	96,130	-
AEA flowthrough	1,434,517	1,198,063	995,297	823,781	770,245
Total	<u>\$ 63,218,204</u>	<u>41,343,877</u>	<u>48,572,057</u>	<u>42,796,092</u>	<u>28,320,705</u>

See accompanying independent auditor's report.

WAUKEE COMMUNITY SCHOOL DISTRICT

NET ASSETS BY COMPONENT

	Last Five Fiscal Years (Unaudited)				
	Year ended June 30,				
	2007	2006	2005	2004	2003
Governmental activities:					
Invested in capital assets, net of related debt	\$ 14,051,616	\$ 10,019,928	\$ 8,282,400	\$ 6,054,028	\$ 3,651,585
Restricted	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	4,815,232	1,594,739	705,403	1,162,141	1,141,673
Total governmental activities net assets	<u>\$ 26,687,580</u>	<u>\$ 18,056,395</u>	<u>\$ 11,615,536</u>	<u>\$ 7,945,330</u>	<u>\$ 5,740,724</u>
Business type activities:					
Invested in capital assets	\$ 736,602	\$ 578,088	\$ 548,174	\$ 377,917	\$ 403,898
Restricted	-	-	-	-	-
Unrestricted	725,121	643,482	459,532	508,045	344,362
Total business type activities net assets	<u>\$ 1,461,723</u>	<u>\$ 1,221,570</u>	<u>\$ 1,007,706</u>	<u>\$ 885,962</u>	<u>\$ 748,260</u>
Total					
Invested in capital assets, net of related debt	\$ 14,788,218	\$ 10,598,016	\$ 8,830,574	\$ 6,431,945	\$ 4,055,483
Restricted	7,820,732	6,441,728	2,627,733	729,161	947,466
Unrestricted	5,540,353	2,238,221	1,164,935	1,670,186	1,486,035
Total net assets	<u>\$ 28,149,303</u>	<u>\$ 19,277,965</u>	<u>\$ 12,623,242</u>	<u>\$ 8,831,292</u>	<u>\$ 6,488,984</u>

Note: The District began to report accrual information when it implemented GASB Statement 34 in the year ended June 30, 2003.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET ASSETS

Last Five Fiscal Years  
(Unaudited)

	Year Ended June 30,				
	2007	2006	2005	2004	2003
<b>Expenses</b>					
Governmental Activities:					
Instruction	\$ 23,541,001	\$ 19,961,274	\$ 17,459,390	\$ 14,226,865	\$ 12,850,667
Support services	10,863,315	9,628,971	8,412,897	6,766,317	5,366,904
Non-instructional services	-	-	-	369	352
Other expenditures	6,868,514	5,790,397	5,674,821	4,399,338	4,104,084
Total governmental activities expenses	41,272,830	35,380,642	31,547,108	25,392,889	22,322,007
Business type activities:					
Instruction	7,101	2,230	-	-	-
Support services	285,066	257,974	-	-	-
Food service operations	1,735,203	1,604,089	1,590,456	1,346,037	1,179,897
Childcare operations	358,348	307,483	126,069	-	-
Total business type activities expenses	2,385,718	2,171,776	1,716,525	1,346,037	1,179,897
Total expenses	\$ 43,658,548	\$ 37,552,418	\$ 33,263,633	\$ 26,738,926	\$ 23,501,904
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
Instruction	\$ 2,029,251	\$ 2,303,722	\$ 2,018,737	\$ 1,927,015	\$ 1,817,010
Support services	144,466	108,070	100,679	91,128	87,682
Operating grants and contributions	3,628,074	2,953,730	2,413,493	1,935,347	1,775,380
Total governmental activities program revenue	5,801,791	5,365,522	4,532,909	3,953,490	3,680,072
Business type activities:					
Charges for services:					
Support services	-	62,155	-	-	-
Food service operations	1,693,785	1,456,433	1,280,987	1,213,848	1,009,353
Childcare operations	470,059	371,744	127,150	550	-
Operating grants and contributions	421,173	362,089	301,939	266,374	213,292
Capital grants and contributions	-	111,484	120,440	-	-
Total business type activities program revenues	2,585,017	2,363,905	1,830,516	1,480,772	1,222,645
Total program revenues	\$ 8,386,808	\$ 7,729,427	\$ 6,363,425	\$ 5,434,262	\$ 4,902,717
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (35,471,039)	\$ (30,015,120)	\$ (27,014,199)	\$ (21,439,399)	\$ (18,641,935)
Business type activities	199,299	192,129	113,991	134,735	42,748
Total net expense	\$ (35,271,740)	\$ (29,822,991)	\$ (26,900,208)	\$ (21,304,664)	\$ (18,599,187)



WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN NET ASSETS

Last Five Fiscal Years  
(Unaudited)

	Year Ended June 30,				
	2007	2006	2005	2004	2003
<b>General Revenues</b>					
Governmental activities:					
Property taxes	\$ 22,707,713	\$ 18,435,237	\$ 15,992,732	\$ 13,672,507	\$ 12,481,271
Local option sales & services tax	4,199,658	3,467,268	2,736,191	551,705	-
Unrestricted state grants	15,518,867	13,589,697	11,414,256	9,242,108	8,119,410
Investment earnings	1,299,865	602,452	191,461	87,440	246,574
Other	376,121	361,325	327,606	68,942	106,411
Total governmental activities	44,102,224	36,455,979	30,662,246	23,622,702	20,953,666
Business type activities:					
Investment earnings	40,854	21,735	7,753	2,967	2,401
Total general revenues	\$ 44,143,078	\$ 36,477,714	\$ 30,669,999	\$ 23,625,669	\$ 20,956,067
<b>Change in Net Assets</b>					
Governmental activities	\$ 8,631,185	\$ 6,440,859	\$ 3,648,047	\$ 2,183,303	\$ 2,311,731
Business type activities	240,153	213,864	121,744	137,702	45,149
Total change in net assets	\$ 8,871,338	\$ 6,654,723	\$ 3,769,791	\$ 2,321,005	\$ 2,356,880

Note: District began to report accrual information when it implemented GASB Statement 34 in the year ended June 30, 2003.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years  
(Unaudited)

	Year ended June 30,				
	2007	2006	2005	2004	2003
General fund:					
Reserved	\$ 195,644	\$ 146,376	\$ 110,352	\$ 39,845	\$ 48,057
Unreserved	4,529,957	2,267,031	1,373,853	1,181,262	1,194,658
Total general fund	<u>\$ 4,725,601</u>	<u>\$ 2,413,407</u>	<u>\$ 1,484,205</u>	<u>\$ 1,221,107</u>	<u>\$ 1,242,715</u>
All other governmental funds:					
Reserved	\$ 3,453,669	\$ 233,849	\$ 189,164	\$ 118,999	\$ 76,887
Unreserved:					
Special revenue funds	1,644,624	1,533,833	1,200,280	729,161	947,466
Capital projects funds	17,488,964	17,107,276	2,906,073	5,725,357	11,576,873
Total all other government funds	<u>\$ 22,587,257</u>	<u>\$ 18,874,958</u>	<u>\$ 4,295,517</u>	<u>\$ 6,573,517</u>	<u>\$ 12,601,226</u>

Source: District Records

Year ended June 30,				
2002	2001	2000	1999	1998
\$ 36,956	\$ 48,735	\$ 70,503	\$ 28,800	\$ 23,701
179,544	291,047	930,902	719,120	656,593
\$ 216,500	\$ 339,782	\$ 1,001,405	\$ 747,920	\$ 680,294
\$ 179,915	\$ 278,459	\$ 192,727	\$ 71,367	\$ 50,634
558,969	220,474	319,433	423,192	622,322
5,807,706	1,304,593	4,062,495	1,819,623	(236,217)
\$ 6,546,590	\$ 1,803,526	\$ 4,574,655	\$ 2,314,182	\$ 436,739

WAUKEE COMMUNITY SCHOOL DISTRICT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS AND DEBT SERVICE RATIO

	Last Ten Fiscal Years (Unaudited)					
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2007	2006	2005	2004	2003	2002
Revenues:						
Local sources:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,666,930
Local tax	26,907,371	21,898,342	18,724,901	14,220,453	12,501,101	
Tuition	1,209,866	1,267,893	1,176,813	1,258,916	1,274,538	
Other	2,604,416	1,935,241	1,383,507	914,311	959,469	
State sources	18,700,021	16,110,389	13,424,393	10,926,968	9,691,405	8,327,266
Federal sources	485,203	437,201	407,377	254,243	207,125	211,068
Total revenues	49,906,877	41,649,066	35,116,991	27,574,891	24,633,638	21,205,264
Expenditures:						
Current:						
Instruction	-	-	-	-	-	11,661,522
Regular instruction	16,944,785	14,497,759	12,045,774	10,074,061	9,180,177	
Special instruction	4,233,291	3,387,132	3,061,467	2,679,023	2,303,872	
Other instruction	2,147,056	2,096,796	1,896,088	1,443,770	1,354,138	
Support services:	-	-	-	-	-	4,627,598
Student services	1,413,137	1,289,559	1,274,069	983,108	927,615	
Instructional services	1,631,053	1,393,248	1,475,734	1,331,528	604,992	
Administrative services	2,909,779	2,711,319	2,270,519	1,965,351	1,515,229	
Operation & plant maintenance services	3,023,278	2,764,387	2,114,247	1,584,289	1,567,336	
Transportation services	1,853,584	1,560,878	1,097,493	874,909	762,357	
Non-instructional services	265	-	-	369	352	6,627
Other expenditures:						132,697
Capital outlay:						
Facilities acquisition	21,356,585	5,593,186	11,528,812	16,567,624	5,343,943	2,936,634
Debt service:						3,601,867
Principal	3,100,000	2,230,000	8,335,000	2,290,000	2,090,000	
Interest	3,166,074	2,500,741	2,391,214	2,082,149	1,900,449	
Fiscal charges	4,800	90,809	86,343	96,130	262,182	
AEA flowthrough	1,434,517	1,198,063	995,297	823,781	770,240	662,430
Total expenditures	63,218,204	41,313,877	48,572,057	42,796,092	28,582,882	23,629,375
Other financing sources (uses):						
Sale of equipment	100	50	1,900	1,300	100	2,565
Sale of real property	-	26,000	-	-	-	41,328
Interfund transfers in	3,101,062	15,831,166	763,808	775,552	798,543	767,870
Interfund transfers out	(3,101,062)	(15,831,160)	(763,808)	(775,552)	(798,543)	(776,239)
Bonds refunded	(4,285,000)	-	-	-	-	-
Bonds and notes issued	23,335,000	15,000,000	11,390,000	9,175,000	15,520,000	7,000,000
Premium on bonds and notes issued	285,720	147,404	48,264	-	(4,490,000)	
	19,335,820	15,173,460	11,440,164	9,176,300	11,030,100	7,035,524
Net change in fund balance	\$ 6,024,493	\$ 15,508,649	\$ (2,014,902)	\$ (6,044,901)	\$ 7,080,856	\$ 4,611,413
Total expenditures	\$ 63,218,204	\$ 41,313,877	\$ 48,572,057	\$ 42,796,092	\$ 28,582,882	\$ 23,629,375
Less: capital expenditures	(20,735,371)	(5,293,151)	(10,817,069)	(16,095,655)	(5,035,469)	(2,936,634)
Non-capital expenditures	42,482,833	36,020,726	37,754,988	26,700,437	23,547,413	20,692,741
Debt service expenditures	6,270,874	4,821,550	10,812,557	4,468,279	4,252,631	3,601,867
Debt service expenditures as a percentage of non-capital expenditures	14.76%	13.39%	28.64%	16.73%	18.06%	17.41%

Source: District Records

Note: From 1997 to 2002, detail on revenues and expenses are not available.  
Only category totals are reported.

	Year Ended June 30,			
	2001	2000	1999	1998
\$ 10,913,375	\$ 9,306,517	\$ 7,576,841	\$ 6,610,725	
7,211,697	6,607,086	5,240,723	4,684,960	
123,955	97,274	68,096	68,002	
18,249,027	16,010,877	12,885,660	11,363,687	
9,774,551	8,121,560	7,063,483	6,055,154	
4,360,841	3,963,641	3,366,045	2,913,755	
7,019	4,770	3,026	2,714	
412,486	343,684	365,067	294,687	
9,839,806	3,100,486	5,065,856	2,296,136	
3,068,083	2,261,885	1,904,735	1,642,482	
583,993	500,313	438,740	388,747	
28,046,779	18,296,339	18,206,952	13,593,675	
-	4,420	8,926	396	
-	95,000	-	-	
3,549,536	601,340	383,437	453,596	
(3,549,536)	(601,340)	(383,437)	(453,596)	
-	-	-	-	
6,365,000	4,660,000	7,200,000	2,300,000	
6,365,000	4,759,420	7,208,926	2,300,396	
\$ (3,432,752)	\$ 2,473,958	\$ 1,887,634	\$ 70,408	
\$ 28,046,779	\$ 18,296,339	\$ 18,206,952	\$ 13,593,675	
(9,839,806)	(3,100,486)	(5,065,856)	(2,296,136)	
18,206,973	15,195,853	13,141,096	11,297,539	
3,068,083	2,261,885	1,904,735	1,642,482	
16.85%	14.88%	14.49%	14.54%	

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL FUND REVENUES, BY SOURCE

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Local		State	Federal	Total
	Taxes	Miscellaneous			
2007	\$ 15,417,932	\$ 2,022,140	\$ 18,698,603	\$ 485,203	\$ 36,623,878
2006	12,101,584	1,874,439	16,108,939	433,391	30,518,353
2005	9,993,328	1,599,569	13,422,857	407,377	25,423,131
2004	8,349,264	1,576,846	10,925,564	254,243	21,105,917
2003	7,866,729	1,600,125	9,690,094	207,125	19,364,073
2002	6,385,468	1,292,631	8,326,003	211,068	16,215,170
2001	5,312,002	1,040,571	7,177,234	123,955	13,653,762
2000	4,828,889	991,394	6,587,414	97,274	12,504,971
1999	4,410,095	837,260	5,230,494	68,096	10,545,945
1998	3,802,567	710,480	4,680,277	68,002	9,261,326

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
GENERAL FUND EXPENDITURES, BY PROGRAM

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Instruction	Support Services	Non-Instructional Programs	Other Expenditures	Total
2007	\$ 22,370,355	\$ 10,506,812	\$ -	\$ 1,434,517	\$ 34,311,684
2006	18,800,131	9,594,770	-	1,198,063	29,592,964
2005	16,051,064	8,115,572	-	995,297	25,161,933
2004	13,601,413	6,696,788	-	824,908	21,123,109
2003	12,339,194	5,228,519	-	770,245	18,337,958
2002	11,156,200	4,530,756	-	662,430	16,349,386
2001	9,404,186	4,291,717	-	583,993	14,279,896
2000	7,825,779	3,894,325	-	500,313	12,220,417
1999	6,805,818	3,304,633	-	438,740	10,549,191
1998	5,844,014	2,852,106	-	388,747	9,084,867

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

GOVERNMENT-WIDE REVENUES

Last Ten Fiscal Years  
(Unaudited)

Year ended June 30,	Program Revenues			Taxes	Other Local Sources	State Sources	Investment Earnings	Miscellaneous	Total
	Charges for Services & Sales	Operating Grants & Contributions	Capital Grants & Contributions						
2005	\$ 3,527,553	\$ 2,715,432	\$ 120,440	\$ 18,728,923	\$ 327,606	\$ 11,414,256	\$ 199,214	\$ -	\$ 37,033,424
2004	3,232,541	2,201,721	-	13,672,507	620,647	9,242,108	90,407	-	29,059,931
*2003	2,914,045	1,998,672	-	12,481,271	106,411	8,119,410	248,975	-	25,868,784

\* Fiscal year 2003 was the first year of government-wide financial statements.

ae: District records



WAUKEE COMMUNITY SCHOOL DISTRICT  
GOVERNMENT-WIDE EXPENSES, BY FUNCTION

Last Ten Fiscal Years  
(Unaudited)

Year ended June 30,	Program Revenues			Non-instructional		Other Expenditures	Total
	Instruction	Support Services		Programs			
2004-2005	\$ 17,459,390	\$ 8,412,897	\$	1,716,525	\$	5,674,821	\$ 33,263,633
2003-2004	14,226,865	6,766,317		1,346,406		4,399,338	26,738,926
2002-2003*	12,850,667	5,366,904		1,180,249		4,104,084	23,501,904

\* Fiscal year ending 2003 was the first year of government-wide financial statements.

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARISON OF GROWTH IN GENERAL FUND REVENUE, EXPENDITURES, ENROLLMENT,  
ENROLLMENT, ASSESSED VALUATION AND TAX RATE

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Revenue	Growth	Expenditures	Growth	Enrollment	Growth
2007	\$ 36,623,878	19.99%	\$ 34,311,684	15.95%	5,098.0	11.07%
2006	30,522,161	20.05%	29,592,960	17.61%	4,590.0	12.83%
2005	25,425,031	20.50%	25,161,933	18.62%	4,068.0	12.19%
2004	21,099,617	8.96%	21,212,982	15.68%	3,626.0	16.52%
2003	19,364,073	19.42%	18,337,958	12.16%	3,112.0	12.43%
2002	16,215,170	18.76%	16,349,386	14.21%	2,768.0	15.29%
2001	13,653,762	9.19%	14,315,385	14.01%	2,401.0	13.25%
2000	12,504,971	18.58%	12,555,906	18.62%	2,120.0	11.52%
1999	10,545,945	13.87%	10,584,680	16.37%	1,901.0	10.65%
1998	9,261,326		9,096,080		1,718.0	

Source: District records

Assessed Value	Growth	Tax Rate	Growth
\$ 1,195,088,331	22.33%	\$ 12.93403	4.52%
976,966,148	15.70%	12.37520	4.68%
844,423,567	18.07%	11.82216	1.10%
715,197,303	8.86%	11.69320	-2.33%
656,966,876	18.46%	11.97257	4.08%
554,596,339	21.07%	11.50340	0.03%
458,079,902	8.48%	11.49978	0.80%
422,277,389	18.15%	11.40850	-6.92%
357,410,386	13.61%	12.25670	1.75%
314,587,465		12.04646	

WAUKEE COMMUNITY SCHOOL DISTRICT

RATIO OF FINANCIAL CONDITION

Last Ten Fiscal Years  
(Unaudited)

	Year Ended June 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
<b>Days net Cash Ratio</b>	84.81	64.79	59.09	56.9	56.8	37.7	43.4	59.2	57.8	55.5
<u>cash</u>										
average daily disbursements										
<b>Increased Revenue versus Increased Expenditures</b>	1.29	1.15	1.07	0.63	1.58	0.77	0.68	1.56	0.93	0.86
<u>current year revenue minus prior year revenue</u>										
current year expenditures-prior year expenditures										
<b>Financial Solvency Ratios</b>	12.13%	7.08%	5.404%	5.597%	6.169%	1.107%	1.986%	7.022%	6.751%	7.089%
<u>current year UD,UR Fund Balance*</u>										
current year actual revenue										

\*UD,UR=Undesignated, Unreserved

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years  
(Unaudited)

Collection Year	General Fund	Management	Debt Service	PPEL	Total
<u>Property Tax Levies</u>					
2007	\$ 15,457,308	\$ 500,501	\$ 4,270,762	\$ 2,559,417	\$ 22,787,988
2006	12,090,151	399,999	3,970,419	1,954,603	18,415,172
2005	9,978,351	300,000	4,030,904	1,662,167	15,971,422
2004	8,362,946	180,000	3,649,603	1,505,078	13,697,627
2003	7,874,784	165,000	3,094,666	1,367,044	12,501,494
2002	6,386,307	140,000	2,817,647	1,165,426	10,509,380
2001	5,267,646	120,000	2,341,461	965,491	8,694,598
2000	4,942,602	90,000	2,033,072	705,204	7,770,878
1999	4,383,257	80,000	1,521,300	357,361	6,341,918
1998	3,827,284	40,000	1,412,736	314,587	5,594,607
<u>Property Tax Collections</u>					
2007	\$ 15,417,932	\$ 498,717	\$ 4,246,299	\$ 2,544,765	\$ 22,707,713
2006	12,080,450	399,673	3,967,366	1,953,106	18,400,595
2005	9,973,356	299,712	4,024,352	1,661,063	15,958,483
2004	8,349,264	179,706	3,639,048	1,500,730	13,668,748
2003	7,866,729	165,496	3,093,356	1,375,520	12,501,101
2002	6,385,468	140,125	2,819,360	1,166,134	10,511,087
2001	5,312,002	121,008	2,341,268	965,411	8,739,689
2000	4,828,889	90,212	2,036,661	706,862	7,662,624
1999	4,410,095	80,547	1,525,021	359,811	6,375,474
1998	3,802,567	40,136	1,416,637	315,659	5,574,999
<u>Percentage Collected</u>					
2007	99.75%	99.64%	99.43%	99.43%	99.65%
2006	99.92%	99.92%	99.92%	99.92%	99.92%
2005	99.95%	99.90%	99.84%	99.93%	99.92%
2004	99.84%	99.84%	99.71%	99.71%	99.79%
2003	99.90%	100.30%	99.96%	100.62%	100.00%
2002	99.99%	100.09%	100.06%	100.06%	100.02%
2001	100.84%	100.84%	99.99%	99.99%	100.52%
2000	97.70%	100.24%	100.18%	100.24%	98.61%
1999	100.61%	100.68%	100.24%	100.69%	100.53%
1998	99.35%	100.34%	100.28%	100.34%	99.65%

Source: District records

Dallas County, Iowa does not track delinquent taxes to a specific year if payment is made after the fiscal year closes.

WAUKEE COMMUNITY SCHOOL DISTRICT

TAXABLE AND 100% VALUES OF PROPERTY

Last Ten Fiscal Years  
(Unaudited)

Levy Year	Collection Year	Real Property		Personal Property	
		Taxable	100% Value	Taxable	100% Value
2005	2006-07	\$1,510,070,351	\$2,419,304,099	\$ -	\$ -
2004	2005-06	1,148,316,166	1,868,579,752	-	-
2003	2004-05	973,280,228	1,558,524,097	-	-
2002	2003-04	881,545,202	1,347,854,822	-	-
2001	2002-03	800,649,806	1,217,989,973	742,846	742,846
2000	2001-02	672,278,192	975,065,887	6,503,826	6,503,826
1999	2000-01	555,403,963	826,165,160	7,654,857	7,654,857
1998	1999-00	477,596,640	693,246,007	8,430,119	8,430,119
1997	1998-99	408,170,193	612,369,624	10,398,704	10,398,704
1996	1997-98	355,638,724	495,890,652	10,498,240	10,498,240

Gas and Electric was broken out of total utilites in fiscal year 2000 due to change in state law.

Gas and Electric is no longer subject to property tax, but instead pay utility replacement tax.

Includes Tax Increment Financing Valuations

Source: County Auditor's Office

Railroads & Utilities w/o Gas & Electric		Gas & Electric		Total		Ratio of Total Taxable Value to 100% Value
Taxable	100% Value	Taxable	100% Value	Taxable	100% Value	
\$ 15,444,126	\$ 15,465,927	\$ 7,070,342	\$ 8,407,740	\$1,532,584,819	\$2,443,177,766	62.73%
15,095,138	15,095,138	7,009,675	7,750,790	1,170,420,979	1,891,425,680	61.88%
14,464,885	14,464,885	7,564,751	7,564,751	995,309,864	1,580,553,733	62.97%
12,181,126	12,181,126	7,517,646	7,517,646	901,243,974	1,367,553,594	65.90%
15,058,875	15,106,417	7,526,984	7,526,984	823,978,511	1,241,366,220	66.38%
11,519,941	11,519,941	7,557,884	7,557,884	697,859,843	1,000,647,538	69.74%
15,100,018	15,100,018	-	-	578,158,838	848,920,035	68.11%
15,966,459	15,966,459	-	-	501,993,218	717,642,585	69.95%
17,249,249	17,249,249	-	-	435,818,146	640,017,577	68.09%
16,023,970	16,023,970	-	-	382,160,934	522,412,862	73.15%

WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION, DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years

Levy Year	Collection Year	Dallas County	Dallas Co Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCSD to Total
<u>City of Waukee</u>										
2005	2006-07	\$ 8.90138	\$ 1.13685	\$ 0.00400	\$ 0.68488	\$ 13.50004	\$ -	\$ 17.84693	\$42.07408	42.418%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	13.50039	-	17.84693	38.87334	45.910%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	13.50039	-	17.89346	38.86394	46.041%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	13.50010	-	17.66440	38.76204	45.571%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	13.50032	-	17.66350	38.84245	45.475%
2000	2001-02	6.26865	0.85556	0.00500	0.54454	13.50000	-	17.47522	38.64897	45.215%
1999	2000-01	6.07606	0.61980	0.00500	0.54506	13.50000	-	17.49678	38.24270	45.752%
1998	1999-00	6.70965	0.61981	0.00500	0.52451	14.24965	-	17.63776	39.74638	44.376%
1997	1998-99	6.69435	0.61980	0.00500	0.50551	11.54002	-	16.98053	36.34521	46.720%
1996	1997-98							16.98924	16.98924	100.000%
<u>City of Clive</u>										
2005	2006-07	\$ 8.90138	\$ 1.13685	\$ 0.00400	\$ 0.68488	9.24927	\$ -	\$ 17.84693	\$ 37.8233	47.185%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	9.24927	-	17.84693	34.62222	51.548%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	8.82714	-	17.89346	34.19069	52.334%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	8.92149	-	17.66440	34.18343	51.675%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	8.96811	-	17.66350	34.31024	51.482%
2000	2001-02	6.26865	0.85556	0.00500	0.54454	8.45221	-	17.47522	33.60118	52.008%
1999	2000-01	6.07606	0.61980	0.00500	0.54506	7.91104	-	17.49678	32.65374	53.583%
1998	1999-00	6.70965	0.61981	0.00500	0.52451	7.91330	-	17.63776	33.41003	52.792%
1997	1998-99	6.69435	0.61980	0.00500	0.50551	7.70014	-	16.98053	32.50533	52.239%
1996	1997-98							16.98924	16.98924	100.000%
<u>City of Grimes</u>										
2005	2006-07	\$ 8.90138	\$ 1.13685	\$ 0.00400	\$ 0.68488	\$ 12.74622	\$ -	\$ 17.84693	\$41.32026	43.192%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	12.74622	-	17.84693	38.11917	46.819%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	12.84260	-	17.89346	38.20615	46.834%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	12.82394	-	17.66440	38.08588	46.380%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	12.76837	-	17.66350	38.11050	46.348%
2000	2001-02	6.26865	0.85556	0.00500	0.54454	11.72852	-	17.47522	36.87749	47.387%
1999	2000-01	6.07606	0.61980	0.00500	0.54506	11.61255	-	17.49678	36.35525	48.127%
1998	1999-00	6.70965	0.61981	0.00500	0.52451	11.61165	-	17.63776	37.10838	47.530%
1997	1998-99	6.69435	0.61980	0.00500	0.50551	12.27467	-	16.98053	37.07986	45.794%
1996	1997-98							16.98924	16.98924	100.000%
<u>City of Urbandale</u>										
2005	2006-07	\$ 8.90138	\$ 1.13685	\$ 0.00400	\$ 0.68488	\$ 9.07393	\$ -	\$ 17.84693	\$37.64797	47.405%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	9.07393	-	17.84693	34.44688	51.810%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	9.07306	0.41222	17.89346	34.84883	51.346%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	9.07000	0.42528	17.66440	34.75722	50.822%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	8.97000	0.41734	17.66350	34.72947	50.860%
2000	2001-02	6.26865	0.85556	0.00500	0.54454	8.96096	0.35432	17.47522	34.46425	50.705%
1999	2000-01	6.07606	0.61980	0.00500	0.54506	8.97000	0.39163	17.49678	34.10433	51.304%
1998	1999-00	6.70965	0.61981	0.00500	0.52451	8.83994	0.42847	17.63776	34.76514	50.734%
1997	1998-99	6.69435	0.61980	0.00500	0.50551	8.49000	0.45088	16.98053	33.74607	50.319%
1996	1997-98							16.98924	16.98924	100.000%



WAUKEE COMMUNITY SCHOOL DISTRICT

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION, DIRECT AND OVERLAPPING GOVERNMENTS  
Last Ten Fiscal Years

Levy Year	Collection Year	Dallas County	Dallas Co Hospital	State	Area XI Community College	City	Special	Waukee CSD	Total	Ratio WCSD to Total
City of West Des Moines										
2005	2006-07	\$8.90138	\$1.13685	\$0.00400	\$0.68488	\$11.95000	\$-	\$17.84693	\$40.52404	44.040%
2004	2005-06	6.15571	0.68223	0.00400	0.68408	11.95000	-	17.84693	37.32295	47.818%
2003	2004-05	6.11761	0.74992	0.00400	0.59856	11.72777	-	17.89346	37.09132	48.242%
2002	2003-04	6.22792	0.78378	0.00400	0.58184	11.60021	-	17.66440	36.86215	47.920%
2001	2002-03	6.27223	0.85556	0.00500	0.54584	11.60003	-	17.66350	36.94216	47.814%
2000	2001-02	6.26865	0.85556	0.00500	0.54454	10.90002	-	17.47522	36.04899	48.476%
1999	2000-01	6.07606	0.61980	0.00500	0.54506	10.90000	-	17.49678	35.64270	49.089%
1998	1999-00	6.70965	0.61981	0.00500	0.52451	10.89994	-	17.63776	36.39667	48.460%
1997	1998-99	6.69435	0.61980	0.00500	0.50551	10.90000	-	16.98053	35.70519	47.558%
1996	1997-98						-	16.98924	16.98924	100.000%

Note: Levy breakdown not available for levy years 1993-1996

Source: County Auditor's Office

WAUKEE COMMUNITY SCHOOL DISTRICT

TAX RATES BY FUND

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year		Genreal		Management		PPEL		Debt Service		Total
2006-07	\$	12.93403	\$	0.41838	\$	1.67000	\$	2.78664	\$	17.80905
2005-06		12.37520		0.40943		1.67000		3.39230		17.84693
2004-05		11.82216		0.35527		1.67000		4.04603		17.89346
2003-04		11.69320		0.25168		1.67000		4.04952		17.66440
2002-03		11.97257		0.25115		1.67000		3.75576		17.64948
2001-02		11.50340		0.25244		1.67000		4.03755		17.46339
2000-01		11.49978		0.26197		1.67000		4.05000		17.48175
1999-00		11.40850		0.21313		1.67000		4.05000		17.34163
1998-99		12.25670		0.22386		1.00000		3.49107		16.97163
1997-98		12.04646		0.12715		1.00000		3.69605		16.86966

Source: District records



WAUKEE COMMUNITY SCHOOL DISTRICT  
COMPARISON OF TAXES AND INTERGOVERNMENTAL REVENUE

Last Ten Fiscal Years  
(Unaudited)

	Year ended June 30,				
	2005	2004	2003	2002	2001
Local:					
General and special revenue funds	\$ 14,255,091	\$ 12,136,114	\$ 11,479,225	\$ 9,390,499	\$ 7,813,067
Debt service and capital project funds	7,030,130	4,258,524	3,256,755	5,774,171	3,123,907
	<u>21,285,221</u>	<u>16,394,638</u>	<u>14,735,980</u>	<u>15,164,670</u>	<u>10,936,974</u>
Inter-governmental revenues:					
State sources	13,424,393	10,926,010	9,690,533	8,326,407	7,188,098
Federal sources	407,377	254,243	207,125	211,068	123,955
	<u>13,831,770</u>	<u>11,180,253</u>	<u>9,897,658</u>	<u>8,537,475</u>	<u>7,312,053</u>
Totals	<u>\$ 35,116,991</u>	<u>\$ 27,574,891</u>	<u>\$ 24,633,638</u>	<u>\$ 23,702,145</u>	<u>\$ 18,249,027</u>

Source: District records

Year ended June 30,				
2000	1999	1998	1997	1996
\$ 6,973,173	\$ 5,942,738	\$ 5,122,103	\$ 4,470,576	\$ 4,375,744
2,346,790	1,642,352	1,492,412	1,394,574	704,646
9,319,963	7,585,090	6,614,515	5,865,150	5,080,390
6,593,640	5,232,474	4,681,170	4,280,023	2,988,914
97,274	68,096	68,002	49,411	39,799
6,690,914	5,300,570	4,749,172	4,329,434	3,028,713
\$ 16,010,877	\$ 12,885,660	\$ 11,363,687	\$ 10,194,584	\$ 8,109,103

WAUKEE COMMUNITY SCHOOL DISTRICT  
TAXABLE ASSESSED VALUATION BY PROPERTY TYPE\*

Last Ten Fiscal Years  
(Unaudited)

Collection Year	2007		2006		2005		2004		2003		
Residential	\$	736,708,613	61.6%	\$ 577,276,665	59.1%	\$ 479,166,040	56.7%	\$ 416,743,673	49.4%	\$ 385,758,428	53.9%
Agricultural		13,910,270	1.2%	14,009,200	1.4%	14,475,120	1.7%	22,181,850	2.6%	22,470,600	3.1%
Commercial		418,658,441	35.0%	359,914,916	36.8%	325,193,663	38.5%	250,761,836	29.7%	221,993,653	31.0%
Industrial		4,851,390	0.4%	4,851,390	0.5%	4,718,460	0.6%	4,564,480	0.5%	4,452,610	0.6%
Personal		-	0.0%	-	0.0%	-	0.0%	-	0.0%	742,846	0.1%
Railroads		2,545,804	0.2%	2,598,624	0.3%	2,451,043	0.3%	2,334,361	0.3%	2,084,530	0.3%
Utilities w/o Gas & Electric		12,898,322	1.1%	12,496,514	1.3%	12,013,842	1.4%	12,181,126	1.4%	12,974,345	1.8%
Gas & Electric		7,070,342	0.6%	7,009,675	0.7%	7,564,751	0.9%	7,517,646	0.9%	7,526,984	1.1%
Sub-Total		1,196,643,182		978,156,984		845,582,919		716,284,972		658,003,996	
(Military Credit)		(1,554,851)		(1,190,836)		(1,159,353)		(1,087,669)		(1,037,120)	
Totals	\$	1,195,088,331		\$ 976,966,148		\$ 844,423,566		\$ 715,197,303		\$ 656,966,876	

\* Does not include TIF Valuation

Source: County Auditor and District records

2002		2001		2000		1999		1998	
\$ 343,169,499	52.2%	\$ 262,101,456	47.3%	\$ 231,838,458	50.6%	\$ 202,424,528	47.9%	\$ 161,774,555	45.5%
22,591,480	3.4%	22,083,027	3.1%	21,276,910	4.6%	20,673,726	4.9%	29,473,274	8.3%
159,965,881	24.3%	147,944,604	20.7%	141,742,851	30.9%	101,577,343	24.1%	102,751,772	28.9%
4,319,690	0.7%	4,186,760	0.6%	3,969,890	0.9%	3,974,870	0.9%	3,835,160	1.1%
6,503,826	1.0%	7,654,857	1.1%	8,430,119	1.8%	10,398,704	2.5%	10,498,240	3.0%
1,955,070	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
9,564,871	1.5%	15,100,018	2.1%	15,966,459	3.5%	17,249,249	4.1%	16,023,970	4.5%
7,557,884	1.2%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
555,628,201		459,070,722		423,224,687		356,298,420		324,356,971	
(1,031,862)		(990,820)		(947,298)		(888,034)		(769,506)	
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	
\$ 554,596,339		\$ 458,079,902		\$ 422,277,389		\$ 355,410,386		\$ 323,587,465	
<hr/>		<hr/>		<hr/>		<hr/>		<hr/>	

WAUKEE COMMUNITY SCHOOL DISTRICT

PRINCIPAL TAXPAYERS IN THE WAUKEE COMMUNITY SCHOOL DISTRICT

Current Year  
(Unaudited)

Taxpayer	2005 Taxable Values	Percent of Total Assessed Value
GCP Jordan Creek LLC	\$ 135,350,398	11.33%
Wells Fargo Home Mortgage, Inc.	107,615,478	9.00%
Dallas County Partners	46,478,344	3.89%
Dallas County Partners II	27,052,708	2.26%
West Lakes Development Company	19,472,682	1.63%
The Higbee Company	16,850,398	1.41%
Sherman Hills Real Estate Partnership LLP	15,870,044	1.33%
Bonstores Realty Two, LLC	14,980,868	1.25%
Northwood Village Ltd	14,092,079	1.18%
Total	\$ 397,762,999	
Total Taxable Assessed Value		\$ 1,195,088,131



WAUKEE COMMUNITY SCHOOL DISTRICT

COMPARATIVE RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year of Collection	Population*	100% Actual Value	Legal Debt Limit(5%)	Indebtedness	Debt to Assessed Value	Debt per Capita
2006-07	30,650	\$ 2,443,177,766	\$ 122,158,888	\$ 89,590,000	3.67%	\$ 2,923
2005-06	23,678	1,891,425,680	94,571,284	64,825,000	3.43%	2,738
2004-05	22,428	1,580,553,733	79,027,687	56,675,000	3.59%	2,527
2003-04	15,500	1,367,553,594	68,377,680	52,195,000	3.82%	3,367
2002-03	14,607	1,241,366,220	62,068,311	44,640,000	3.60%	3,056
2001-02	13,780	1,000,647,538	50,032,377	35,060,000	3.50%	2,544
2000-01	13,000	848,920,035	42,446,002	29,375,000	3.46%	2,260
1999-00	12,264	717,642,585	35,882,129	26,790,000	3.73%	2,184
1998-99	11,570	640,017,577	32,000,879	23,000,000	3.59%	1,988
1997-98	10,518	522,412,862	26,120,643	16,475,000	3.15%	1,566

\* District populations estimated from 2000 Census.

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

RATION OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES

Last Ten Fiscal Years  
(Unaudited)

Year ended June 30,	Principal	Interest	Total Debt Service	Total Expenditures *	Ratio of Debt Service to Total Expenditures
2004-05	\$ 7,640,000	\$ 2,324,006	\$ 9,964,000	\$ 25,161,933	39.60%
2003-04	1,620,000	1,983,926	3,603,926	21,123,109	17.06%
2002-03	2,155,000	1,773,021	3,928,021	18,337,959	21.42%
2001-02	1,315,000	1,515,146	2,830,146	16,349,386	17.31%
2000-01	955,000	1,378,872	2,333,872	14,279,896	16.34%
1999-00	870,000	1,148,125	2,018,125	12,220,417	16.51%
1998-99	675,000	984,923	1,659,923	10,549,191	15.74%
1997-98	560,000	862,095	1,422,095	9,084,867	15.65%
1996-97	480,000	750,493	1,230,493	7,944,596	15.49%
1995-96	280,000	380,273	660,273	6,551,891	10.08%

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT

COMPUTATION OF OVERLAPPING AND DIRECT DEBT

As of June 30, 2007  
(Unaudited)

	Taxable Valuation	Taxable Valuation Within District	Percent in District	G. O. Debt	Waukee CSD Share of the Debt
Dallas County	\$ 2,131,119,369	\$ 1,170,420,979	54.92%	\$ 16,770,000	\$ 9,210,164
City of Waukee	289,196,840	289,196,840	100.00%	16,400,000	16,400,000
City of Clive	961,801,780	151,312,294	15.73%	27,514,400	4,328,612
City of Grimes	214,643,596	35,587	0.02%	5,410,000	897
City of Urbandale	1,756,138,384	102,722,511	5.85%	40,055,000	2,342,953
City of West Des Moines	2,951,940,640	564,002,142	19.11%	145,445,000	27,788,937
Area XI Des Moines Area Community College	26,819,908,490	1,170,420,979	4.36%	64,965,000	2,835,073
Total District Share of Overlapping Debt				<u>\$ 316,559,400</u>	<u>\$ 62,906,637</u>
Direct, Waukee Community School District:					
General Obligation			100.00%	\$ 56,785,000	\$ 56,785,000
Sales Tax Revenue Bonds			100.00%	18,900,000	18,900,000
Capital Loan Notes			100.00%	13,905,000	13,905,000
Total District Direct Debt				<u>\$ 89,590,000</u>	<u>\$ 89,590,000</u>

Source: District records, County Auditor's office, City of Waukee, City of Clive, City of Grimes, City of Urbandale, City of West Des Moines, Area XI Des Moines Area Community College.

WAUKEE COMMUNITY SCHOOL DISTRICT

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years  
(Unaudited)

	Year ended June 30,			
	2007	2006	2005	2004
Assessed value of property	\$ 2,443,177,766	\$ 1,891,425,600	\$ 1,580,553,733	\$ 1,367,553,594
Debt limit-5% of 100% assessed value	122,158,888	94,571,280	79,027,687	68,377,680
Amount of debt applicable to debt limit:				
General obligation bonds	56,785,000	54,445,000	55,945,000	52,195,000
Sales tax revenue bonds	18,900,000			
Capital loan notes	13,905,000	15,000,000	730,000	1,425,000
Total debt applicable to debt limit	89,590,000	69,445,000	56,675,000	53,620,000
Legal debt margin	32,568,888	25,126,280	22,352,687	14,757,680
Legal debt margin as a percentage of debt limit	26.66%	26.57%	28.28%	21.58%

Source: District Records

Year ended June 30,					
2003	2002	2001	2000	1999	1998
\$ 1,241,366,220	\$ 1,000,646,538	\$ 848,920,035	\$ 717,642,585	\$ 640,017,577	\$ 522,412,862
62,068,311	50,032,327	42,446,002	35,882,129	32,000,879	26,120,643
44,640,000	35,060,000	29,375,000	26,790,000	23,000,000	16,475,000
2,095,000	2,735,000	-	1,070,000	1,225,000	1,375,000
46,735,000	37,795,000	29,375,000	27,860,000	24,225,000	17,850,000
15,333,311	12,237,327	13,071,002	8,022,129	7,775,879	8,270,643
24.70%	24.46%	30.79%	22.36%	24.30%	31.66%

WAUKEE COMMUNITY SCHOOL DISTRICT

GENERAL ANALYSIS OF FACILITIES, CLASSROOMS AND STAFFING

June 30, 2007  
(Unaudited)

Name of School	Dates of Construction	Grades Served
Elementary Schools:		
Waukee	1917, 1957, 1974, 1979, 1987, 1999	K-5 and Special Education
Brookview	2001, 2002, 2004	K-5 and Special Education
Eason	1994, 2002	K-5 and Special Education
Walnut Hills	2005	K-5 and Special Education
Waukee Middle School	1974, 1977, 1987, 1994, 1997, 1999	6-7 and Special Education
Prairieview 8-9 Building	2004	8-9 and Special Education
Waukee High School	1997, 2000, 2001	9-12 and Special Education
		District Wide
Other facilities - non-student occupancy:		
YMCA	2000, 2001	
Waukee Elementary Annex	1932, 1995	
District Administration	2003, 2007	
District Central Receiving/Transportation Facility	2003	

Source: District records

Building Served	Enrollment Sept. 2005	Certified Staff	Pupil/Teacher Ratio	Number of Classrooms	Teaching Sections
	752	48.0	15.67	38	33
	611	41.0	14.90	25	27
	597	37.3	16.03	30	27
	704	42.0	16.76	37	30
	2,664	168.3	15.83	130	117
	626	43.9	14.27	26	22
	561	41.5	13.52	46	20
	724	49.380	14.66	45	-
	4,575	303.010	15.10	247	159

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT STAFFING LEVELS

Last Ten Fiscal Years  
(Unaudited)

	2007	2006	2005	2004	2003
Administration:					
Superintendent	1.0	1.0	1.0	1.0	1.0
Principal	7.0	6.0	5.0	5.0	5.0
Associate Principal	2.0	4.0	3.0	1.0	-
Other Administrators	6.0	4.0	5.0	5.0	3.0
Total Administration	16.0	15.0	14.0	12.0	9.0
Other Professionals				-	0.6
Instruction:					
Teacher	318.33	288.5	258.6	229.1	207.7
Curriculum Specialist	2.0	2.0	2.0	1.0	1.0
Counselor	15.0	14.0	13.0	11.0	11.0
Title I	2.0	1.5	1.5	1.0	
Media Specialist	7.0	6.0	5.0	5.0	5.0
Total Instruction	344.33	312.0	280.1	247.1	224.7
Professional, Other:					
Nurse	7.0	7.0	6.5	4.8	4.8
Other Professional	8.5	6.5	6.1	5.0	4.0
Total Professional, Other	15.5	13.5	12.6	9.8	8.8
Support Personnel:					
Office/Clerical	26.0	23.0	20.0	16.9	15.8
Crafts/Trades	4.0	2.0	1.0	1.0	1.0
Teacher Associates	84.601	63.3	61.7	56.9	42.2
Other Support Personnel	61.719	57.3	57.1	57.1	39.4
Total Support Personnel	176.3	145.7	139.8	131.9	98.4
Totals	552.2	486.2	446.4	400.8	341.5

Source: District records



2002	2001	2000	1999	1998
1.0	1.0	1.0	1.0	1.0
5.0	4.0	4.0	4.0	4.0
				-
3.0	3.0	3.0	3.0	4.0
9.0	8.0	8.0	8.0	9.0
1.0	1.0	2.0	2.0	2.0
192.5	165.7	143.3	134.5	117.9
10.0	9.0	8.0	7.0	6.0
5.0	3.0	3.0	3.0	3.0
207.5	177.7	154.3	144.5	126.9
4.8	4.0	3.5	3.3	1.0
3.8	2.0	1.0	1.0	1.0
8.5	6.0	4.5	4.3	2.0
12.3	14.5	12.5	9.0	10.0
1.0	1.0	1.0		
42.8	37.5	32.0	26.2	19.8
40.0	21.0	20.5	16.7	22.0
96.0	74.0	66.0	51.9	51.8
322.0	266.7	234.8	210.7	191.7

WAUKEE COMMUNITY SCHOOL DISTRICT  
DISTRICT AND AREA UNEMPLOYMENT RATES

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Des Moines Area	Dallas County			State of Iowa	Per Capita Income
		Median Household Income	Average Household Income	Per Capita Income		
2007	3.1%				3.4%	
2006	2.9%	\$ 59,435	\$ 74,925	\$ 29,144	3.6%	\$ 33,236
2005	4.0%				4.8%	
2004	4.1%				4.1%	
2003	3.6%				4.2%	
2002	3.4%				4.0%	
2001	2.1%				3.3%	
2000	2.0%				2.6%	
1999	1.9%				2.5%	
1998	2.0%				2.6%	

Source: Iowa Workforce Development, ESRI, US Bureau of the Census of Population and Housing,  
US Bureau of Economic Analysis.

Data for 2006 is the latest data available.

WAUKEE COMMUNITY SCHOOL DISTRICT

SUMMARY OF HISTORICAL RETAIL SALES  
(In Millions)

Last Ten Years  
(Unaudited)

Year	Dallas County	Percent Increase	Waukee	Percent Increase	West Des Moines	Percent Increase	Des Moines	Percent Increase
2006	\$ 674.51	97.8%	\$ 121.06	16.2%	\$ 1,864.22	103.9%	\$ 3,502.63	0.3%
2005	340.93	6.6%	104.16	23.0%	914.20	2.6%	3,492.31	-16.7%
2004	319.88	12.2%	84.65	10.4%	891.45	2.3%	4,190.41	10.6%
2003	285.14	7.5%	76.68	8.1%	871.55	2.1%	3,789.65	-5.1%
2002	265.18	20.7%	70.94	41.5%	853.49	-0.6%	3,994.64	-2.7%
2001	219.78	21.7%	50.13	73.4%	858.59	5.3%	4,106.04	1.3%
2000	180.54	18.0%	28.91	5.7%	815.65	15.9%	4,054.94	2.8%
1999	152.98	7.2%	27.36	11.2%	704.03	8.1%	3,944.05	0.2%
1998	142.72	4.1%	24.61	6.6%	651.25	2.4%	3,935.45	2.4%
1997	137.05		23.09		636.14		3,844.21	

Source: Iowa Department of Revenue and Finance

# WAUKEE COMMUNITY SCHOOL DISTRICT

## PRINCIPAL EMPLOYERS IN THE DISTRICT

Current year and 10 years ago  
(Unaudited)

Presented below is a list of employers located within the Waukee Community School District, the type of business conducted and an approximate number of employees for each.

District Employers	Product/Service	2007		1997	
		Employees	% of Total	Employees	% of Total
Wells Fargo Mortgage & Financial	Financial	3,278	33.2%	-	
Hy-Vee	Food Supplier	1,500	15.2%	-	
West Des Moines School	Education	1,200	12.2%	-	
Iowa Farm Bureau	Agriculture	1,117	11.3%	-	
Marsh Insurance	Benefit Insurance	950	9.6%	-	
Guide One	Insurance	642	6.5%	-	
Iowa Foundation for Medical Care	Insurance	623	6.3%	-	
Waukee Community School District	Education	550	5.6%	200	100.0%
Total		9,860		200	

Larger employers in the area	Product/Service	2007		1997	
		Employees	% of Total	Employees	% of Total
Principal Financial Group	Insurance	8,300	18.8%	17,501	36.7%
State of Iowa	Government	6,749	15.3%	7,500	15.7%
United State Government	Government	6,100	13.9%	6,000	12.6%
Iowa Health System	Health Care	5,000	11.4%	-	-
Des Moines Ind. School District	Education	5,325	12.1%	4,662	9.8%
Communication Data Service, Inc	Data Entry	3,000	6.8%	-	-
Mercy Hospital Medical Center	Health Care	2,200	5.0%	4,650	9.7%
City of Des Moines	Government	2,170	4.9%	2,183	4.6%
Wellmark Blue Cross Blue Shield	Insurance	2,066	4.7%	1,755	3.7%
Bridgestone-Firestone	Manufacturing	1,700	3.9%	2,500	5.2%
Pioneer Hybrid	Agricultural Sales	1,428	3.2%	950	2.0%
Total		44,038		47,701	

Source: City Chambers of Commerce

WAUKEE COMMUNITY SCHOOL DISTRICT

DISTRICT POPULATION

June 30, 2007  
(Unaudited)

Census Year	Waukee	Clive	Urbandale	West Des Moines
1980	2,227	6,064	17,869	21,894
1990	2,512	7,462	23,500	31,702
2000	5,126	12,855	29,072	46,403

Source: City Chambers of Commerce

WAUKEE COMMUNITY SCHOOL DISTRICT  
CERTIFIED RESIDENT STUDENT ENROLLMENT BY GRADE

Last Ten Fiscal Years  
(Unaudited)

Grade	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PK	29	26	22	26	24	14	14	*	*	*
K	555	549	522	433	445	321	327	259	243	180
1	577	544	459	467	350	346	276	239	187	173
2	549	480	486	368	377	296	255	198	189	178
3	507	499	390	403	319	262	222	204	190	148
4	510	413	423	347	276	241	215	222	161	149
5	427	446	362	297	260	233	230	165	163	133
6	449	376	310	292	244	256	185	182	155	153
7	367	319	316	260	265	199	192	175	157	145
8	321	324	265	274	224	220	188	168	154	142
9	317	273	296	234	244	189	179	165	146	134
10	283	319	252	263	198	190	174	150	142	129
11	313	262	268	198	202	182	165	153	123	113
12	254	268	219	206	198	163	146	121	110	124
District Served Enrollment	5458.0	5098.0	4590.0	4068.0	3626.0	3112.0	2768.0	2401.0	2120.0	1901.0
Open Enrollment/Tuition In	199.0	219	232	225	236	237.0	186	141	159	135.1
Open Enrollment/Tuition Out (includes Home & Alt. School Students)	229.3	196.6	170	187.1	172.8	148.7	131.8	125.4	122	110.8
Certified Resident Enrollment	5,488.3	5,075.6	4,528.0	4,030.1	3,562.8	3,023.7	2,713.8	2,385.4	2,083.0	1,876.7

\* No Data Available

Source: District Records

WAUKEE COMMUNITY SCHOOL DISTRICT

OPERATING COST PER PUPIL

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year		Total Costs*	Daily Membership		Operating Cost per Pupil
2006-07	\$	34,311,684	5,065	\$	6,774
2005-06		29,592,960	4,617		6,410
2004-05		25,161,933	4,058		6,201
2003-04		21,123,109	3,685		5,732
2002-03		18,337,958	3,138		5,844
2001-02		16,349,386	2,801		5,837
2000-01		14,279,896	2,461		5,802
1999-00		12,220,417	2,160		5,658
1998-99		10,549,191	1,840		5,733
1997-98		9,084,867	1,654		5,493

\*Includes only General Fund expenditures.

Source: District records

WAUKEE COMMUNITY SCHOOL DISTRICT  
IOWA SCHOOL ANTICIPATION PROGRAM (ISCAP)

Last Ten Fiscal Years  
(Unaudited)

Year Ended June 30,	Principal of Certificates Issued
2006-07	\$ -
2005-06	-
2004-05	-
2003-04	-
2002-03	2,275,000
2001-02	2,049,000
2000-01	1,433,000
1999-00	945,000
1998-99	865,000
1997-98	955,000

Source: District records



WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2007

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
Food Distribution (non-cash)	10.550	FY 07	<u>\$ 69,872</u>
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 07	43,239
National School Lunch Program	10.555	FY 07	<u>287,076</u>
			<u>330,315</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 07	<u>110,626</u>
Vocational Education - Basic Grants to States	84.048	FY 07	<u>21,464</u>
Safe and Drug-Free Schools and Communities- State Grants	84.184	FY 07	<u>9,521</u>
State Grants for Innovative Programs	84.298	FY 07	<u>6,027</u>
Special Education - State Improvement Grants for Children with Disabilities	84.323	FY 07	<u>22,589</u>
English Language Acquisition Grants	84.365	FY 07	<u>5,081</u>
Improving Teacher Quality State Grants	84.367	FY 07	<u>43,930</u>
Grants for State Assessments and Related Activities	84.369	FY 07	<u>31,696</u>
Heartland Area Education Agency			
Special Education - Grants to States	84.027	FY 07	<u>226,330</u>
Total			<u><u>\$ 877,451</u></u>

**Basis of Presentation** - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Wauke Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.





Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Board of Education of  
Waukee Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Waukee Community School District, Waukee, Iowa, as of and for the year ended June 30, 2007, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated October 10, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Waukee Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Waukee Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. We identified no deficiencies in internal control over financial reporting that we consider to be significant deficiencies and no deficiencies we consider to be material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Waukee Community School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Waukee Community School District's financial statements that is more than inconsequential will not be prevented or detected by Waukee Community School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Waukee Community School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waukee Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters that are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2007 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Waukee Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Waukee Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukee Community School District and other parties to whom Waukee Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Waukee Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

*Van Maanen & Associates, P.C.*

Van Maanen & Associates, P.C.  
Certified Public Accountants

October 10, 2007

**Van Maanen  
& ASSOCIATES, P.C.**

**Certified Public Accountants**

705 Main St.  
Pella, IA 50219  
641-628-3737

Independent Auditor's Report on Compliance with Requirements Applicable  
to Each Major Program and on Internal Control over Compliance  
in Accordance with OMB Circular A-133

To the Board of Education of  
Waukee Community School District:

Compliance

We have audited the compliance of Waukee Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Waukee Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Waukee Community School District's management. Our responsibility is to express an opinion on Waukee Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Waukee Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Waukee Community School District's compliance with those requirements.

In our opinion, Waukee Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Waukee Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Waukee Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Waukee Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the District's internal control that might be significant deficiencies or material weaknesses as defined below. We identified no deficiency in internal control over compliance that we consider to be a material weakness.

A control deficiency in the District's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to administer a federal program such that there is more than a remote likelihood noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the District's internal control. We noted no deficiency in internal control over compliance that we consider to be a material weakness.

Waukeew Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Waukeew Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Waukeew Community School District and other parties to whom Waukeew Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

*Van Maanen & Associates, P.C.*

Van Maanen & Associates, P.C.  
Certified Public Accountants

October 10, 2007

WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2007

**Part I: Summary of the Independent Auditor's Results**

- (a) Unqualified opinions were issued on the financial statements.
- (b) No significant deficiencies in internal control over financial reporting were disclosed by the audit of the financial statements, including material weaknesses.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No significant deficiencies in internal control over the major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) The audit disclosed no audit findings which were required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).
- (g) Major programs were as follows:
  - CFDA Number 84.010 – Title I Grants to Local Educational Agencies
  - Clustered programs:
    - CFDA Number 10.553 - School Breakfast Program
    - CFDA Number 10.555 - National School Lunch Program
- (h) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (i) Waukee Community School District did not qualify as a low-risk auditee.

**Part II: Findings Related to the Financial Statements**

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

**SIGNIFICANT DEFICIENCIES**

No matters were noted.

**Part III: Findings and Questioned Costs for Federal Awards**

**INSTANCES OF NON-COMPLIANCE**

No matters were noted.

**SIGNIFICANT DEFICIENCIES**

No matters were noted.

WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2007

**Part IV: Other Findings Related to Required Statutory Reporting**

IV-A-07      Certified Budget - Expenditures for the year ended June 30, 2007, exceeded the amended certified budget amounts in the instruction function.

Recommendation – The certified budget should have been amended in accordance with Chapter 24.9 of the Code of Iowa before expenditures were allowed to exceed the budget.

Response – Future budgets will be amended in sufficient amounts to ensure the certified budget is not exceeded.

Conclusion – Response accepted.

IV-B-07      Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.

IV-C-07      Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.

IV-D-07      Business Transactions - Business transactions between the District and District officials or employees are detailed as follows:

<u>Name, Title and Business Connection</u>	<u>Description</u>	<u>Amount</u>
Marty Sullivan, Joshua Heyer and Ben Schulte, Teachers Owners of Exterior Craftsmen	Fence repair	\$6,139

In accordance with an Attorney General's opinion dated November 9, 1976, the transaction does not appear to represent a conflict of interest.

IV-E-07      Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.

IV-F-07      Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.

IV-G-07      Certified Enrollment - No variances were noted in the basic enrollment data certified to the Department of Education.

IV-H-07      Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.

IV-I-07      Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.



WAUKEE COMMUNITY SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2007

IV-J-07      Student Activity Fund – We noted transactions being recorded through the Special Revenue, Student Activity Fund such as resale accounts and building improvement accounts that would more appropriately be accounted for in the General Fund.

Recommendation – The Student Activity Fund is to be used to account for money received from student related activities such as admissions, activity fees, student dues, student fundraising events, or other student related co-curricular activities as stated in the administrative rules of the Department of Education.

Response – We will review these accounts and transfer items to more appropriate funds.

Conclusion – Response accepted.